# MUNICIPAL ADMINISTRATION
## IN
# RAJASTHAN

*BY*

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## FOREWORD

I am agreeably pleased to know that a young Lecturer of the Department of Public Administration from our University has come forward with a book for publication on Municipal Administration in Rajasthan

Local Administration is the base where people come [illegible] to the Administration, and wherein making and implementa[illegible] of policies are closely intertwined It is said that the people get t[illegible] Government they deserve It is more true at the local level tha[illegible] at the higher ones Municipal Administration has been the scaffolding through which our representative institutions have grown our national movement has been able to stir political consciousness among the people Many of our national leaders have learned the ropes of offices through them At present with our growing urba[illegible]sation, municipal administration has come in the forefront of [illegible] attention It is in these institutions that the modern devices o[illegible] *democracy are being developed.If more attention is directed* [illegible] them, perhaps we may be able to divert the popular protest [illegible] the streets to our esteemed city councils

This book covers within a span of ten chapters, the evolutic[illegible] and organisation of Municipal Authorities in Rajasthan, [illegible] over functions, finances, personnel, elections and control. A goo[illegible] and useful feature of the book is that it contains relevant [illegible] from almost all important reports of Commissions and [illegible]mittees Within its scope it serves the needs of the students in undergrad[illegible] classes and may prove quite serviceable to our postgr[illegible] students as well.

The book is written in easy style. Language is simple and appropriately directed to the subject matter. As far as I am concerned, I feel that the matter given is adequate, but its academic evaluation in strict measures may be left to the experts in the subject.

The author deserves my congratulations for producing this excellent book.

Jaipur

P. L. BHATNAGAR
*Vice-Chancellor,*
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# PREFACE

At no time in history has the field of local government been so important to national development as now a days. With the phenomenal rise of independent states, the place of local government in national progress is being recognised for its own merit and for what it can do for the general welfare of the people. In view of the changed concept of the state's activity, local governments in urban areas besides their usual duties, have to promote social and economic development. In addition, the problems created in the process of urbanisation impose new responsibilities upon the municipal administration.

In recent times, much has been written on the rural local government system, especially after the inauguration of Panchayati Raj. Comparatively little interest in municipal administration studies is shown.

This volume is designed to describe the Municipal Administration in Rajasthan as it exists today and analyse the administrative problems of the municipal authorities in the state. Each of the ten chapters deals with a specific issue, concerning structure, working apparatus, finance, personnel, state-municipal relationship, role of political parties and public participation, administration of urban improvement trusts and problems of municipal administration in general.

Included in the volume are also relevant extracts from almost all important reports of commissions and committees. It is hoped that this volume will be found useful by the students of Public Administration and Political Science as well as by the government and municipal officials who are interested in the field of Municipal Administration.

I must express my deep sense of gratitude to Padma Vibhushan Dr.P.L. Bhatnagar, Vice-Chancellor, University of Rajasthan, a renowned scholar and educationist for writing the Foreword to this book in spite of his other preoccupations and engagements.

My extreme indebtedness is due to Prof. Ziauddin Khan, Head, Department of Public Administration, University of Rajasthan, for inspiring me to work in an academic area of which comparatively little has been written. Without the able guidance, constant encouragement and helpful suggestions which Prof. Khan gave me this work could not have been completed.

I must express my deep sense of gratitude to Prof. Dr. Iqbal Narain, Dr. C.P. Bhambhari, Shri R.P. Bhatnagar, Dr. Kuldeep Mathur and Shri P. C. Mathur of Rajasthan University who have always guided and inspired me.

I cannot resist expressing my personal thanks to Shri P. S. Verma, Hoshiar Singh, Research scholars, Shri Shyam Karan, Director, Local Bodies, Rajasthan and Shri Gokul Prasad Sharma, Administrator, Municipal Council, Jaipur, for helping me in the collection of material. In the end I must thank Shri R. K. Singh, for typing out the manuscript, Messrs Ramesh Book Depot and Radha Govind Printers for Publishing the book in record time.

However, none of them are responsible for omissions, errors and blemishes of the book. I am aware of the shortcomings of the book. I will avidly accept suggestions for improvement from the readers.

Jaipur

**Daya Singh Chaudhary**

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# CHAPTER I

## EVOLUTION OF MUNICIPAL GOVERNMENT

Political and administrative institutions are created to meet certain requirements and needs of a society and their develop ment and growth are conditioned by the circumstances and situations prevailing from time to time in a given region or country. As the society cannot have a complete breakoff from the past nor can it remain stuck up in the bygone it is necessary that the institutions though having their moorings in the past history should adopt to the changing world conditions and the needs of the people In the past the Local Institutions were conceived to perform limited functions purely of local nature and to share the financial burden of the central government Now the local government is seen as part of the foundation of social, economic and political modernisation demanded by the developing countries of the world They have realised that this stupendious task of development in a state cannot be attained only by the efforts of the Central Government. The heavy burden should also be shared by Local Governments As Henry Maddick points out, 'The arguments for devolution are wide in their content,"[1] ranging from the somewhat intengible contribution to political development made by local representative institutions, to the practical and material advantages of local investment in economic enterprises and social welfare projects Local Government is thus considered as potentially playing an important role in achieving the developing world's prime objectives, i. e securing the maximum returns from material and human resources, and raising the standard of living. Hence, there is increasing necessity of devolution of powers and functions to Local Governments Besides to achieve people's participation also demands devolution of powers and functions to local authorities

In this context, it becomes important to know the historical evolution of local institutions which may have relevance to political, social and economic life of today in terms of a vital legacy As it has been said earlier that the society cannot have a complete breakoff from the past and its institutions.

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1. *Meddick Henry, Democracy, Decentralisation and Development, Asia Publishing House, 1963, p 54*

## ıitions of Municipal Government :

Rajasthan is the second largest state in the Republic of India ns of area. It came into being with a series of integration the then Princely States. The re-organisation of Rajasthan ımpleted in 1956 through five stages.

Rajasthan has all along been in the past a distinctive region istory and traditions of its own. The society in Rajasthan :d even today on feudal ideas and traditions, quite a few of have lost their validity and relevance. This has made the m of raising the standard of living and of securing a large re of local autonomy rather difficult. Because they involve emand a basic change in value pattern both of leaders and ople.

This does not mean that Rajasthan has had no tradition ocal Government at all. The tradition of Local Govern- goes back to ancient times, though it may have little nce to political and social life of today. In the ancient l, the polity in Rajasthan was largely democratic. The Municipal Institutions were town committees, called *ıi* and *Mahajan* Samiti.[2] These bodies had extensive powers ninistering religious, economic and revenue matters.[3] Every had a general assembly, popularly known as *Mahajan* which nly looked after administration but also levied new taxes on ts and sanctioned grants.[4] It was, in fact, in these general blies that local affairs used to be discussed. Even feudal s and rulers could collect certain taxes only with the permi- of these local Mahajans.[5]

The organisational pattern of these assemblies had to be ıted in accordance with certain principles. The *Mahajans*, rather unwieldy for deliberative and executive work used to ıte their functions either to their representatives or to the *:akula* (Committee of five). The Mahajan Assembly, consis- sixteen members, used to be convened only when it was ·ed to sanction a new decree. Ordinarily the work was to be ·d on by the Panchakulas, members of which occupied a fairly ·tant position in society. These committees usually performed s of varied and extensive character. They not only arbitrated ·en the disputing parties and granted certificates of sale con- ıns to the traders but also collected the státe share of revenue ccorded religious and secular grants.

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*. C. Jain : Ancient Cities of Rajasthan—A Study of Culture and Civilisation (A memeographed D. Litt. Thesis), p. 477.*
*K. C. Jain : Op. cit ,p. 487.*
*P. C. Nahar : Jain Inscriptions, Part I, Vishnu Vinod Press Calcutta, 1927, p. 213.*
*Epigraphia Indica : Vol. XI, 1911, p. 41.*

In addition to these Panchakulas, there had also been certain state officials known as *Pattakilas* The officer who looked after the administration of a town, was known as Talara and was also designated as *Puradhyaksa* or *Nagar Rakasaka*[6] He performed the duties of policing and patrolling the city at night It was this officer who, during the period of Muslim domination came to be known as the City *Kotwal*

Though the Municipal functions continued to be discharged by the Nagar Rakasaka during the Muslim period also, the representative character of the *Mahajana Assemblies* and Panchakulas gradually deteriorated and after the 16th century they ceased to have any voice in the administration of Municipal institutions and the administration of the town came under the sole charge of the city *Kotwal*[7] Nevertheless, the Panchakulas and Assemblies of some kind continued to exist in one form or the other, but had practically very little to do with the performance of municipal obligations.

After the downfall of the Mughal Empire, the Princely States of Rajasthan presented a picture of utter confusion with the fruitless display of the martial spirit of the Rajputs leading to inter-state rivalries It was the period of a virtual anarchy that brought the Princely states to the verge of utter ruin and self-governing institutions lost what little validity they possessed[8] In this period the civil administration virtually collapsed in the princely states. Local self-governing institutions also suffered a setback as a consequence It was in fact, the British who saved the Princely states from dismemberment The Municipal institutions in the erstwhile princely states of Rajasthan, by and large, grew at the initiative and behest of the British civil service Princely states were not interested in elected local self govern- s in the princely states, alf-hearted measures in establishing municipal institutions at least for capital cities Between the years 1860 and 1880, severe epidemics due to insanitary conditions, ravaged different states that now constitute Rajasthan The Agent to the Governor-General, various Political Agents, and the Residency Surgeons reported frequently to the Government of India regarding insanitary conditions prevailing in the various princely states of Rajasthan, and pressed the rulers for the setting up of municipal committees at least in the capital town so that necessary arrangements for sanitation and conservancy could be made[9]

The earliest Municipal organisation in Rajasthan was established at Mt. Abu in 1865. The Ajmer and Beawar municipalities

6. *Epigraphia Indica Vol. XI, 1911, p 47.*
7. *K C Jain op cit, p 487*
8. *J N Sarkar Fall of the Mughal Empire, Vol I, 1949, pp 234.*
9. *Sharda Basrao Municipal Government in Rajasthan, (A memeographed Ph D Thesis) 1966, p 15*

were founded in 1867. Jaipur Municipality came into existence in 1869. Alwar's turn came in 1871-72, while Jhalawar patan Municipality came up in 1877. Other municipal bodies came into being in Bikaner (1882), Jodhpur (1884), Bharatpur (1884), Karauli (1884), Tonk (1886), Kishangarh (1890), Pratapgarh (1893), Bundi (1893), Jhalawar (1894), Dungarpur (1897), Shahpura (1898), Dholpur (1904), Banswara (1904), Kushalgarh (1910), Sirohi (1921) and Udaipur (1922).

Inspite of this movement for establishment of municipalities, there was no popular participation in the affairs of the Municipal bodies. They worked like any other department of the state government and looked after sanitary and conservancy arrangements under the supervision and control of the Residency Surgeons. However, Local-Self-Government, as it was understood in other parts of the country, was practically unknown in Rajasthan. There did not exist any uniform or definite policy with regard to Municipal administration. Majority of the states allowed their municipalities to perform functions, which remained extremely limited in scope and extent. The essential functions such as medical relief, primary education, vaccination etc. had not been transferred to the municipalities. In almost all the states, finances remained the liability of the state.

In the early decades of the present century an attempt was made in some of the princely states to include in the management of the Municipal Councils, a nominated non-official element from amongst the leading castes and communities. However, after 1920 municipal bodies began to acquire some sort of representative character. Several measures of Municipal re-organisation emerged between 1920 and 1935, but most of them only proved to be half-hearted and insubstantial.

The third and fourth decades of the 20th century are significant from the point of view of the growth of Municipal legislation in the various princely states. It was during this period that Municipal Acts came into existence and efforts were made to put the municipal organisation on a scientific basis. In Jaipur state, municipalities were reorganised in 1922 and the Bikaner Municipal Act was passed in 1923. After 1927 Municipal Acts were also passed in various states and efforts were made to introduce the popular element in Municipal bodies.[11] In 1934, Municipal Acts were enacted in Tonk and Alwar and after four years similar enactments were passed in Pratapgarh, Shahpura, Jhalawar and Jodhpur. The Jaipur Municipal Act was revised in 1943. Kota organised Municipalities through an Act in 1946, while Banswara could bring legislation only in 1947. Thus before independence Municipal legislations had been enacted in most of the princely states. Despite these legislative enactments, the organisation of Municipal bodies

11. *Sharda Basrao : op. cit., p. 27.*

remained arbitrary and unsystematic. Even after the elective principle was introduced the progress had to be slow owing to delaying and obstructionist policies of the rulers. Besides, the powers and responsibilities given to municipal bodies or their personnel were extremely restricted. With the powers of supervision under the hegemony of the ruling elite, the pattern was definitely a negation of the ideals of participating democracy.

Thus this period of the evolution of municipal governments in Rajasthan may be said to be characterised by restricted franchise, disappointing functional span, limited source of income and limited powers enjoyed by them. The reasons for the slow progress of Municipal institutions in this period were as follows —

(i) There was, in the members themselves, a lack of active interest in the affairs of the municipalities. Members were in the habit of not attending the meetings. Several times, meeting had to be adjourned for want of quorum.

(ii) There was too much government interference in the day to day administration of the municipality. This gave rise to an attitude of indifference on the part of members and chairmen of the boards.

(iii) The Municipal boards did not have sufficient source of income to meet their expenditure. Only a few municipalities enjoyed limited power to levy taxes. The boards were to depend on grants-in aid from the government. Whenever there was provision for taping certain sources of revenue the members showed an aversion towards imposing any new taxes because by doing so they feared to lose the support of their voters.

(iv) The very organisation of the municipalities was defective. In most cases the members were nominated. The boards, as such, could never represent the true wishes of the people and were not the mirror of true public opinion.

(v) There was a terrible dearth of leaders. Intelligent and capable persons did not come forward to shoulder the responsibility of managing the affairs of municipalities. This attitude of aversion on the part of the people was responsible for the slow growth of municipal administration in Rajasthan.

(vi) The people themselves opposed the establishment of municipal boards even when the rulers took initiative because they feared an increase in taxes.

Besides these factors, the illiteracy, ignorance, and poverty of the masses were also responsible for the slow progress of Municipal administration in Rajasthan. The lack of character, integrity intelligence and initiative in elected chairmen as well as members was also a stumbling block in this direction.

**Formation of Rajasthan & Re-organisation of Municipal bodies :**

The post-independence era opened a new chapter of Municipal government in Rajasthan. Rajasthan came into being as a result of the merger of 22 erstwhile princely states, each one of which, had a separate municipal organisation of its own. The formation of Rajasthan was achieved through integration by stages, each signifying significant phases of evolution. The formation of Rajasthan involved a complicated process of integration and democratization. The integration of so many states into one administrative unit created a number of problems, which came as a challenge to the overall administrative, economic and social system.[12]

Various administrative measures were adopted on adhoc basis in the absence of an integrated law to solve the various problems arising out of the merger of princely states.

Political independence and integration also highlighted the need for establishing uniform laws and institutions for the whole of Rajasthan to replace the widely different systems prevailing in the princely states. In municipal government, the first step towards uniformity and integration was taken in 1949 when the former Rajasthan Union adopted the U. P. Municipal Act of 1916 by an ordinance. In 1951 the Rajasthan Town Municipalities Act came into existence and was applied uniformly to cover all municipalities, repealing all the erstwhile municipal laws. A directorate of Local Bodies was also set up in 1950 for supervision of and co-ordination among the various municipal bodies.

Despite this integration, the Municipal law still remained diversified, because it did not cover the city municipalities with the result that they were left to be governed under separate enactments. Thus in the beginning of 1950, there was a municipal Corporation in Udaipur and four city municipalities at Alwar, Jaipur, Jodhpur and Bikaner, all having their own laws, besides 134 Municipal Boards being governed under the Rajasthan Town Municipalities Act of 1951.

In 1954 another Rajasthan Municipalities Bill was introduced and passed by the State Assembly with the object of bringing about final integration of the Municipal laws and removing the various deficiencies of the Rajasthan Town Municipalities Act of 1951. But before it could be assented to by the President, the states final integration of 1956 changed the whole context.

The next step towards systematisation and uniformity of Municipal bodies came in 1957 with the introduction of the Rajasthan Municipalities Bill which came into force on October 17, 1959

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12. *Report of the Annual Administration of Rajasthan for 1952-53, p. 12.*

as the Rajasthan Municipalties Act. It repealed and superseded all the previous laws and enactments and enforced a uniform law for the whole of Rajasthan. The new measure sought to bring about homogeneous uniformity amongst the various units of Municipal Government and introduced new vistas of local initiative and fields of expanded development.[13]

As a result of this Act, municipalities with a population of 50,000 and above were classified as Municipal Councils and other as Municipal Boards, therby distinguishing a city municipality from a non-city municipality.[14] There are eleven city municipalities in Rajasthan known as municipal councils, in cities having a population of 50,000 and above. There are 134 non-city municipalities divided into four categories on the basis of revenue. The constitutional distinction between the city and the non city municipalities is based primarily on population and income, otherwise their constitutional structure is identical. Thus the Municipalities in the state of Rajasthan are classified under five categories. It may be made clear with the help of the following chart .-[15]

| *No.* | *Class* | *Designation* | *Number* | *Criterion* |
|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 |
| 1. | I | City Municipality | 11 | Population of 50,000 & above |
| 2. | II | Municipal Board | 14 | Income over Rs. two lakhs p.a. |
| 3. | III | Municipal Board | 22 | Income between Rs. one lakh to two lakhs p.a. |
| 4. | IV | Municipal Board | 45 | Income between Rs. 40,000 to Rs. 1,00,000 p.a. |
| 5. | V | Municipal Board | 46 | Income below Rs. 40,000 p.a. |
| 6. | | Unclassified Municipal Board | 6 | — |
| 7. | | Notified Area | 1 | — |

An analysis of the stages of evolution of Municipalities in Rajasthan brings out some of the limitations, shortfalls and drawbacks which have in a way, slowed down the pace of their development. It also seems that the principles laid down in the statutes, for creating municipalities have not always been follo-

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13. *Annual Administration Report of the Directorate of Local Bodies, Rajasthan, Jaipur for 1959–60.*
14. *Rajasthan Municipalities Act. 1959, Sections 7-8.*
15. *Government of India—Report of Rural-Urban Relationship Committee, 1966.*

wed. The principles are in contravention of the provisions of the Act of 1959 which specifically provides 8,000 as the minimum population for a municipality. But strangely town like Anupgarh, Indergarh, Kherli, Vidya Vihar Pilani, Ratangarh, Jobner etc. (each one of which has a population of less than 5,000) has municipalities. The present act needs modification and amendment in the light of the new problems of growing urbanisation. On the basis of the experience of working of Municipal Bodies in the state of one decade, it appears that the Act governing Municipal bodies is not conducive to the requirements of the growing modern cities and their population. All the important aspects of Municipal administration i. e. the structure including the electoral system, the size of the councils, the relationship between the Executive and Deliberative wings etc. allocation of powers and functions, financial distribution and management, personnel system and state-municipal relations need re-thinking and redefinition in the municipal statute in the light of the growing urban complex and planned city development.

**Conclusion :**

The evolution of municipal institutions in Rajasthan has been in a haphazard manner. Local-self-governing institutions with people's representation, have a brief history of two decades only. With the evolution of integrated Rajasthan the diversified and often contradictory municipal statutes were given some shape and semblance of uniformity. There remain, nevertheless a number of discrepancies which need a rethinking and many modifications and amendments in the Municipal Statute in the light of the growing urban complex and planned city development.

## CHAPTER II

# ORGANISATION OF MUNICIPAL AUTHORITIES

Organisation is the systematic bringing together of inter-dependent parts to form a unified whole with a view to achieving a given purpose. It is both a structure and a pattern of human relationships. The municipal organisation for the convenience of study, may be divided into two wings : deliberative, consisting of the Council and its committees and administrative, consisting of the Executive Municipal officials.

**Deliberative Wing : Its Constitution :**

Under the Act the state governments have the powers to declare, delimit areas and abolish existing municipalities. Municipal Council/Board derives its powers from a law passed by the state legislature. It is a body corporate with perpetual succession and common seal and has the right of suing and being sued in its corporate name, of holding, acquiring and transferring property and entering into contracts.[1]

The constitutional pattern envisagd in the Act is of a general nature and is applicable to all the city and non-city municipalities. A Council/Board has a President/Chairman and a Vice-President/Vice-Chairman and a specified number of members elected by adult franchise and nominated female members.[2] The state government has also powers with regard to the composition of the boards in certain exceptional cases. Such Boards may consist of wholly nominated members or partly elected and partly nominated members.[3]

A Municipal Council/Board consists of elected, nominated or coopted members. In every Municipal Council/Board there are two types of seats : general and reserved. The reservation is made only for scheduled castes and scheduled tribes on the basis of population determined by the Government.

The number of members is also determined by the Government on the basis of population subject to change.

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1. *Rajasthan Municipalities Act, 1959, Sections 7–8.*
2. *RMA, 1959, Section 9.*
3. *Ibid, Section 10.*

**Tenure :**

The term of municipalities is fixed for three years commencing from the day of its meeting after the election. The Government is empowered to extend the term upto a maximum period of two years. However, it has been an unhappy practice in Rajasthan, not merely to postpone election on one pretext or another and appoint an administrator but also to extend the term of the Administrator.

A member of the Council/Board can resign his membership any time without assigning any reason.[4] A member can also be removed by the State Government on the grounds of long absence, failing to take oath of office, not being a registered voter, guilty of disgraceful conduct and flagrantly abusing his position as a member.

**President/Chairman :**

The office of the elective President/Chairman in Rajasthan came into being only after the formation of Rajasthan. He is elected from among the members of the Council/Board for three years. After the election of the President/Chairman, the election of the Vice-President/Vice-Chairman is held in accordance with the same procedure to complete the constitution of the Council/Board.[5] The management of multi-dimensional problems of a varied nature requires the conscious concern of the President/Chairman whose capacity, integrity and foresight are always on the anvil. He is required to exercise constant vigilance over general administration and bring to the notice of the Council/Board any short-comings thereof. He disposes of matters relating to the service, pay, allowances etc. of the municipal employees.[6] In addition to the statutory powers vested in him, he might, as and when necessary, act upon powers delegated to him by the Council/Board. The entire correspondence either with the Government or with the public, has to be channeled through him. Besides, the submission of returns, estimates, statements, copies of correspondence and other documents pertaining to the administration, forwarding of resolutions, submission of annual administration reports, other written statements and documents to the Government and its various agencies, are also to be looked after by him. In short, he is the custodian of all municipal records.[7] In the absence of the President/Chairman his duties are performed by the Vice-Chairman/Vice-President.

The President/Chairman and Vice-President/Vice-Chairman can be removed from his office if he absents himself from duties for

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4. *RMA, 1959, Section 63 d (iii).*
5. *Ibid., Section 67 (b).*
6. *Ibid. Section 67 (e)*
7. *Ibid , Section 65 (6-7)*

a period of one month without leave.[8] He may resign his office He can be removed from office in two ways either by the government or by a vote of no confidence. A President/Chairman or Vice President/Vice-Chairman who acts against the law but has the majority support in the Council/Board can be removed by the government He can also be removed by a no confidence motion passed against him by atleast two third of the total number of members of the Council [9] The President/Chairman is permitted to present and put his side of the case If the no-confidence motion fails, no fresh motion of no-confidence can be brought against him during a period of six months

The provision of no-confidence motion in Rajasthan did not prove effective because of lack of discipline and continuous tensions within political parties caste overtones in political attitudes and lack of strong, progressive and responsive leadership.

The frequency of no confidence motion has been alarming in Rajasthan. From the study of various cases of no-confidence motions the trends appear to be

(i) that the provisions of no confidence motion can be used as pressure tactics just to harass the president and thereby to make him grant benefits and patronage to members,

(ii) that the intra-party, inter group and personal rivalries at times account for the sponsorship of the no-confidence motion, and

(iii) that it is easier for the opposition parties to join hands in a negative venture as bringing out a vote of no confidence than to have a united front for the positive task of sharing power. Thus the no-confidence motion has not served as a corrective measure, but it has weakened the position of the President and made him a tool for purposes of patronage and favouritism.

## COMMITTEES

**Importance :**

In India, as in U. K., Committees are a contrivance for deconcentrating local administration both rural and urban. Long before the advent of urban or rural democracy, civic matters were administered through committees only. With the gradual assumption of democratic order by municipal bodies towards the end of the nineteenth century, they struck firm roots, Infact, they stemmed from the limitations of the elected council. The bulkiness of the Council prevented it from maintaining close rapport with civic administration. It is not surprising that the committees have

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8 *RMA, 1959 Section 65 (6–7).*
9 *Ibid , Section 72(2)*

had a record of unbroken association with municipal bodies, although they have tried several forms of executive.

Under the inspiration of English local government, committees received an inflated sense of importance in municipal government which has consequently come to mean as direct and detailed responsibility of local representatives for local affairs, leaving as little as possible to the officers. Participation of the councillors through committees in local administration has been in the nature of the deliberation and detailed administration. Committees have enabled decisions to be taken by a number of people after discussion, affording a better chance of their being right when many-minds contribute to them. They have ensured a wider participation by the councillors representing the interests of a variety of section of urban population in the work of municipal bodies. Also they have provided salutary checks on bureaucratic and unresponsive tendencies of the adminisration. However, the system originated at a time when the range of activities of these bodies was comparatively very much restricted and government involvement in the civic affairs was minimal. Now the modern city has witnessed phenomenal changes in its area and populalion. It has become increasingly difficult for the lay-members of the committees to supervise administration with the growing volume and complexity of work.

**Classification of Committees :**

Committees may be viewed at from different angles : (a) basis of constitution : statutory or non statutory (permissive); (b) periodicity : standing or adhoc; (c) nature of jurisdiction: functional or zonal; (d)mode of operation: vertical or horizontal; and (e) nature of functions: executive or consultative.

Generally committees are either the creation of the city government Act or of the municipal council. The more important committees have statutory basis. For instance the Executive Committee of the Municipal Council is a statutory committee. The other statutory committees are Finance Committee, Health and Sanitation Committee, Building and Works Committee, Rules and By-laws Committee and Public Conveyance Committee. House Tax Committee, Light and Water Committee, Licence Committee, Octroi Committee and Rent Committee are appointed by the Council. These Committees are called non-statutory Committees.

Committees may be standing and Adhoc The former are either elected for a fixed term or they are co-terminus with the council. On the contrary, the latter are created for a specific purpose with or without limit or time and they go out of existence after the completion of their task.

Committees may be looked at from the stand point of their jurisdiction. Thus there are functional ( or subject ) and zonal

committees. Functional committees would be charged with specific functions or subjects like education, health, licences etc Functional or subject committees are accepted pattern of committees in both urban and rural bodies They stem from the idea of affording an opportunity to councillors to specialise in the field of their interest and contribute to the general welfare of the city These committees have jurisdiction over the whole municipal area in their respective function or subject through municipal officers concerned The main defect of functional committees is that they encourage compartmental approach to civic affairs and produce an acute problem of co-ordination in city administration

An answer to this is provided by the zonal committees that operate on locality basis, rather than functional Under this system the area of the city is divided into a number of circles or zones which are put under the charge of circle or zonal committees comprising the councillors elected from the circle Among the major cities, Madras and Calcutta have made statutory provisions in this regard Administration in these cities tends to acquire a federal character. In Madras the system of zonal committees was introduced in 1962

Decentralisation of civic administration on zonal basis is very much fovoured Thus the Rural Urban Relationship Committee (1966) has recommended that the larger cities with a population of 5 lakhs and over should function on decentralised basis through the circle or zonal committees on the lines of the Madras Corporation [10] This particularly assumes great importance in bigger cities where contact between citizens and the council is becoming remote day by day.

Committees may also be classified as horizontal and vertical as per the basis of their operation Committees like those for health, works, education, etc , function on vertical basis and committees like those for staff and finance, whose acceptance is needed for every important proposal with personnel and financial implications for other committees, operate on horizontal basis In other words, the relation between the former and the latter is that of 'line' and 'staff'

There may be committees charged with matters in which either two or more Municipal Committees, or two or more local bodies may be involved They are known as joint committees. But it is rarely that such committees have ever formed

The Rural-Urban Relationship Committee has contemplated four different categories of committees in addition to zonal committees :

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10 *Report of the Rural-Urban Relationship Committee Government of India, Ministry of Health, Family Planning, New Delhi, 1966, Vol I, pp 31-32*

(1) a coordination and finance committee consisting of the Mayor and the Deputy Mayor in the case of Corporations and of the Chairman and the Vice-Chairman in the case of Municipal Councils, Chairmen of four Functional Committees to be nominated by the council and two members to be elected by the council by single transferable vote. This committee shall prepare budget estimates, supervise all financial matters and co-ordinate the activities of different Municipal Departments. The term of the committee shall be one year.

(2) Four functional committees for planning and development, housing and works including land development, health and sanitation and education,

(3) One or more Permissive Functional Committees to deal with subjects such as roads and communication, electricity and water works, transport, milk supply, sewage, recreation facilities, etc., and,

(4) Contract Committee.[11] While the Permissive Committees are to be set up at the instance of the government or the council, the other categories of committees are to be set up by the corporation or municipal council only. The second and third categories of committees are to be created under law and the other two under an Act of the corporation or the council, although the Rural-Urban Relationship Committee has not advanced any specific reason for the different categories. Experience has shown that multiplicity of committees has not only created an acute problem of co-ordination, but also it has weakened the democratic wing with the multiplication of decision making centres.

The Committee System in Rajasthan had its beginning in 1886. Initially, the Committees were manned mostly by the government officials, but gradually nominated non-officials and elected representatives were also included. The Committee system, however, was democratised under the new Act. In addition to a statutory recognition, the committee system was regularised and defined. There are two distinct types of committees today–*statutory* and *non-statutory*, specific details are given with regard to the constitution, powers and functions of statutory committees in the municipal statute. The non-statutory committees, however are to be appointed at the discretion of a municipality, as and when circumstances warrant [12]

**Composition :**

Committees are miniature councils in composition and complexion. Sometimes, it is legally ensured that committees reflect

11. *Report of the Rural-urban Relationship Committee, op, cit., Vol. I, p 25.*
12. *RMA, 1959, Section 73.*

with more or less mathematical exactness the strength of the groups in the council by envisaging proportional representation as a basis of representation in the committees. Although the principle of proportional representation is not fully adhered to.

The membership of the Statutory Committees is prescribed by the Act and that of the Special Committees and Adhoc Committees is left to the council. The strength of the Statutory Committees varies from one municipal government to another. Generally, a smaller number is favoured in the interest of effective transaction of their business The Rural-urban Relationship Committee's recommendation for a Functional Committee ranging between 6 to 9 meets this primary consideration in fixing the membership

In Rajasthan every municipal unit has an Executive Committee comprising of the President/Chairman, Vice-President/Vice-Chairman, seven Councillors elected by the Council from among the Councillors and all the Chairmen of the other committees The Executive Officer is the ex-officio member secretary of the Executive Committee Every Municipal unit has five statutory committees for *Finance, Rules and Bye-laws, Public Conveyance, Health and Sanitation* and *Building and Works* Each of these consists of seven members and can exercise, and discharge such powers, duties and functions as are delegated to them by the Council.[13] The number and names of non-statutory committees differ from municipality to municipality according to their respective needs The particulars of these committees may be seen in table 2 given below .

TABLE 2

| Name of Committee | No of members | Tenure |
|---|---|---|
| 1 | 2 | 3 |
| 1 Executive Committee | 7 councillors, Chairman, Vice-Chairman and Chairmen of other committees | As per tenure of the council or subject to rules made by the council. |
| 2 Finance Committee | Not exceeding 7 members as the Council may determine | do |
| 3 Health and Sanitation Committee | do | do |
| 4 Building and Works Committee | do | do |

*13 RMA, 1959, Section 73 (3) (4)*

| 1 | 2 | 3 |
|---|---|---|
| 5. Rules and Bye-laws Committee | do | do |
| 6. Public Conveyance Committee | do | do |

The above are statutory committees to be set up under the Act. Besides there are at present 7 non-statutory committees, their membership and tenure being governed by the rules made by the council from time to time.

The non-statutory committees are to be appointed at the discretion of Municipal Council as and when circumstances warrant. These committees are subordinate agencies, subject to instructions of the council and they have to comply with these orders. Usually the non-statutory committees are the following.

( i ) House tax committee
( ii ) Light and water committee
( iii ) Licence committee
( iv ) Octroi committee
( v ) Rent committee
(vi ) Fire brigade and garage committee
(vii) Labour welfare, sewage and compost committee.

If the Chairman/Vice-Chairman of the Board/Council happens to be a member of any committee, he becomes the ex-officio chairman; otherwise the Board appoints the Chairman of each committee.[14] All questions are decided by a majority vote and in case of a tie the presiding officer exercises the casting vote. No business can be transacted at any meeting unless half of the members of the committee are present.[15]

The Committees carry out the instructions that may be given to them by the Board from time to time. The Board is authorised to call for any extract from any proceedings of any committee or any returns, statement of accounts, or reports connected with the issues under review by the committee. Every order passed by a committee shall be subject to revision by, and open to appeal to, the Board in accordance with specific rules and regulations.[16]

**Functions :**

There are no hard and fast limits with regard to the jurisdictional sphere of these committees. They perform four types of functions :

*14. RMA, 1959, Section 75.*
*15. Ibid , Section 76.*
*16. Ibid, Section 77.*

(i) to exercise supervisory control over the departments entrusted to them and see that they discharge their duties efficiently.

(ii) to formulate schemes, proposals and plans to be submitted to the Board with regard to the improvement of the affairs of the departments entrusted to them.

(iii) to give proper advice to the Board with regard to the problems of their respective departments.

(iv) to execute the contracts which the Board has entered into.

The exercise of these powers and performance of these functions by the committees differ from one municipality to another because all the boards and councils have not delegated powers to their committees on a uniform pattern.

**Relations with the Council :**

In theory, the committees being the 'creatures' of the Council are answerable to it for all functions entrusted to them by the Act or by the Council. The committees may be questioned in respect of their operation and performance in the council. But the council's right to get rid of committees by means of reducing the term of the members is undermined by fixing the term of the committees. The rationale of this provision is partly because of their shorter term and partly because of the periodical renewal of their membership.

There seem to be five categories of items that are transmitted by the committees to the council :

(a) matter requiring sanction of the council ;
(b) matter requiring ratification after action having been taken by the committees ;
(c) matter for purpose of reporting after conducting enquiry;
(d) matter for purpose of recommending; and
(e) matter for purpose of information.

In actual operation, it is a general phenomenon that the committees are extending their boundaries at the expense of the council. This may be attributed to their intimate and frequent contacts with administration and their emergence as decision making centres.

**Committees and the Commissioner/Chief Executive Officer :**

The committees along with the Commissioner provide a tool to the council for recurring guidance, supervision and control of the work done by the administrative wing. If each subject committee functions in the nature of a political boss of each municipal department, the Commissioner/Chief Executive Officer is the chief of the whole city administration. The committee may require any of

the officers of the council, including the Commissioner, to attend any of its meetings at which a matter dealt with by such officer in the course of his duty is to be discussed. The Commissioner generally attends the meetings of the principal commi tee. His participation provides guidance to the councillors in deliberation and decision making.

The meetings of the committees provide a real forum for professional politicians and administrators with a direct bearing on municipal politics and administration. But the multiplicity of committees and their frequent and sometimes long drawn out meetings consume most of the time of the officials.

**Committees and the President/Chairman :**

The President/Chairman is a dignatory of the city council. He acts both as a speaker of the council and as a elected chief executive. He acts as the Chairman of the Executive Committee. Sometimes he is also associated in his ex-officio-capacity, with the other Committees. This confers on him a special prestige and position in the city government.

**Drawbacks :**

Though the committee system reduces the burden of the Council and facilitates the performance of its duties in a speedy and effective manner, by and large, it has not worked satisfactorily in Rajasthan. The reasons mainly are lack of co-ordination, difficulty to draw a clear line of demarcation between the powers of the Council and those of its committees, tendency to interfere in the day to day working of officials, apathy of members with regard to municipal affairs, tendency to monopolise membership of committees in a fewer hands of members. It might, therefore, be said that in spite of the inherent benefits of committee system as such, the working in Rajasthan has a long way to go.

Maud Committee on the management of Local Government in U. K. (1966) felt that one of the main reasons why the country is not getting full value in terms of human happiness for all the time and money being put into local government is the survival of the 19th century tradition that councillors must concern themselves with actual details of day to day administration. The Committee laid down two charges against the present arrangements : first that the present committee system is a bad form of organisation and second, that the association of each service with a committee and of a department and chief officer with both produces a loose confederation of disparate authorities. The system is said to waste time, result in delays, cause frustration, increase the volume of paper, discourage delegation to officers, make heavy demands on members time and discourage the type of persons serving on councils who is prepared to give time to consideration of

major issues but who is not prepared to spend it on matters which specialist staff should deal with themselves In general committees are said to be finding it increasingly difficult to supervise the work of departments because of growth of business, lack of time and greater technical complexity

The association of each service with a committee is said to lead to departmentalism and the absence of unity, because the taking of decisions is scattered leadership and responsibility in the authority cannot be easily identified and co-ordination of thought and work is made more difficult.

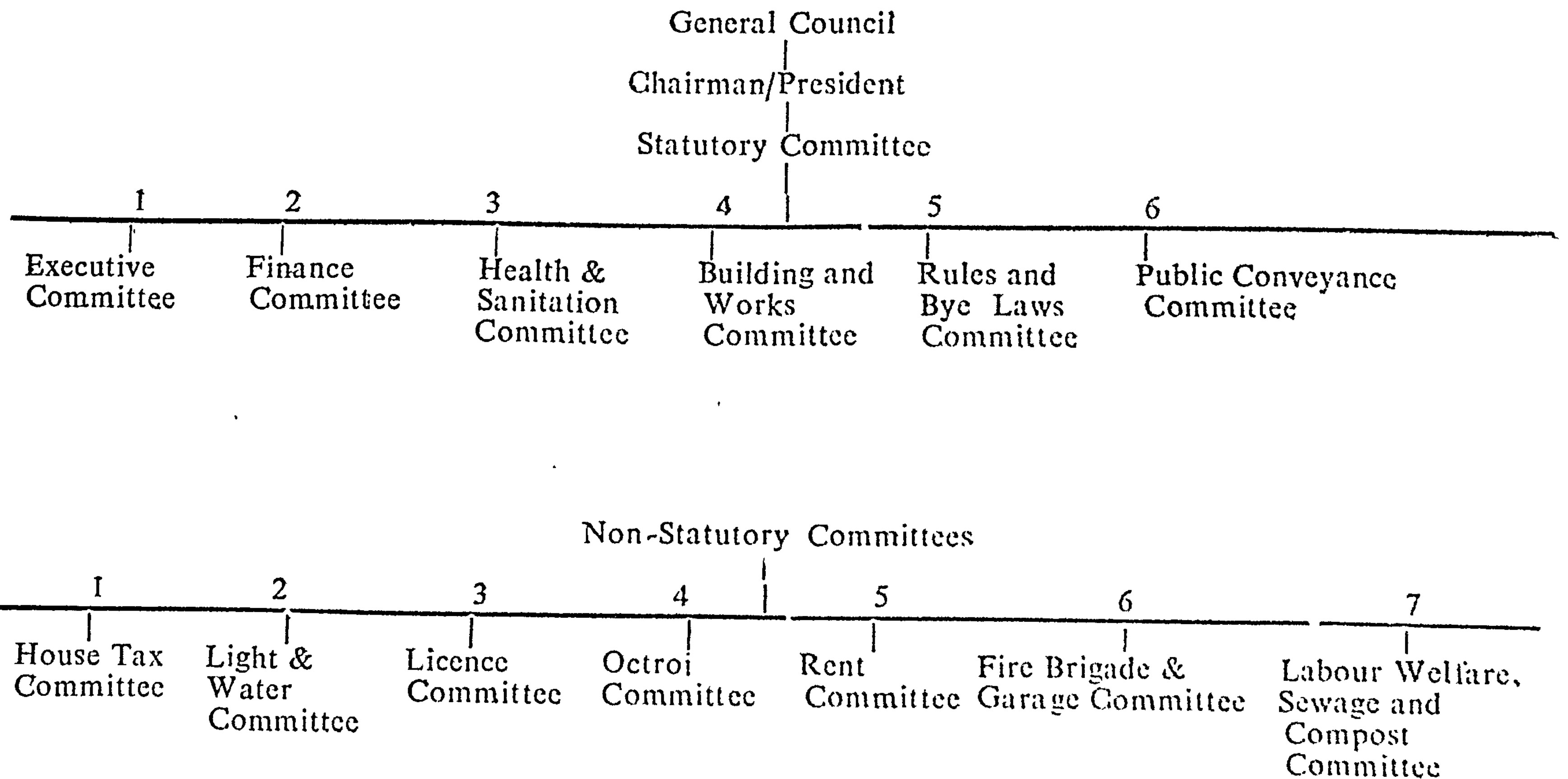
The Maud Committee produced a comprehensive plan to ensure co ordination of both administration and policy in local authorities The core of this scheme was that each council should appoint a 'Management Board'-consisting of between five and nine members of the council The management board would formulate major policies and present them for approval to the council It would have overall responsibility for the execution of these policies The chief officer (clerk) would be responsible to the Management Board and through it to the council, he would also be undisputed head of the whole of the staff The Heads of departments would be answerable to the clerk and not to any committee According to Maud Committee, committees should not be directing and controlling bodies nor should they be concerned with routine administration They would make recommendations to the Management Board of major objectives and study how these could best be carried out They would review progress in the sphere of the rticular service that concerned them

For the solution of the problem of co-ordination the Rural-urban Relationship Committee (1966) has recommended for the establishment of a co-ordination and Finance Committee consisting of the Mayor and the Deputy Mayor in the case of Corporations and of the Chairman and the Vice-Chairman in the case of Municipal Councils Chairmen of four Functional Committees to be nominated by the Council and two membe s elected by the Council by single transferable vote This committee shall prepare budget estimates, supervise all financial matters and co-ordinate the activities of different Municipal departments

However, if effective co-ordination is to be achieved, there must be arrangements, firstly, for consultation and cooperation among different committees and departments when plans are being prepared by committee, secondly, the council should have adequate provision for coordinating all plans and policies into a coherent, integrated whole, and thirdly, there should be arrangements to ensure that all committees and departments work in concert to carry out approved plans expeditiously and at a minimum cost,

The organisational structure of a Municipal Council (Deliberative wing) may be seen in the following chart.

ORGANISATIONAL CHART OF A MUNICIPAL COUNCIL (DELIBERATIVE WING)



## PROCEDURE OF WORK

**Quorum and Conduct of Meetings of the Council/Board**

Under the act the Municipal Council/Board is required to meet at least once a month for disposal of general business More meetings may be called, when necessary The President/Chairman presides over the meetings The trend is that meetings are becoming more regular and frequent As a rule all meetings are open to public, unless the presiding officer gives ruling to the contrary [17]

The quorum for a meeting is one third of the total membership [18] Subject to the permission of the President/Chairman a member may ask a question after serving a clear seven days notice in writing The President/Chairman has the power to allow or disallow a question He answers the questions and answers are recorded in the proceedings.

Decisions on various issues before the Council are arrived at on the strength of the majority of votes and the presiding authority has a right to vote There is no definite pattern in decision making in terms of unanimity The members who have directly or indirectly any pecuniary interest are not permitted to participate in and vote on the issue

**Administrative Wing**

Besides the elected non-officials a Municipal Council/Board has permanent officials This wing includes all the officials who are responsible for administering the policies of the Council/Board The important municipal administrative officers include the Municipal Commissioner and various department heads like Engineer, Medical and Health Officer, Revenue Officer and the like

**Commissioner :**

He is appointed by the State Government Now he belongs to Rajasthan Municipal Service All personnel of the Council are subordinate to him He is subject to the control of the President/Chairman of the Council As head of the administration he co ordinates and controls the financial and administrative matters relating to the departments of the council He reports all cases of fraud embezzlement, theft and loss of municipal money or property to the President/Chairman Besides his administrative functions, he also acts as Chief Adviser to the President/Chairman

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*17 RMA 1959 Section 70 (8),*

*18 Ibid , Section 70(9)*

**Municipal Engineer :**

He is also appointed by the State Government. He enjoys the status of Assistant Engineer. He is responsible to the Commissioner for his activities and can be removed from the Council by a resolution passed by a majority of not less than 2/3rd of its members and approved by the State Government. He is responsible for dealing with cases of unauthorised buildings, drains and culverts, maintenance of buildings, repairs of damaged buildings, ordering removal of projections and obstructions in streets, maintenance of municipal buildings and public parks, and carrying out municipal construction and repairs.

**Medical Officer of Health :**

The state government appoints a Medical Officer of health. He is responsible for general supervision of sanitation in the city, control of epidemic and infectious diseases, to render advice to the council on matters connected with health, regulating construction and flow of drains, punishment of sweepers for negligence, prohibition of the use of unwholesome water, ordering inspection of drains through the sanitary inspectors assisted by Jamadars, and supervision of slaughter houses.

**Fire Officer :**

He deals with public safety works and is assisted by firemen, drivers and cleaners. He is responsible for extinguishing fire and protecting life and property in case of fire within the municipal area.

The organisational structure of a municipal council may be made clear with the help of the following chart :—

( *See Chart on next page* )

**Relations between Deliberative and Executive Wings :**

Self government must mean good and efficient government for the people. While it is necessary to maintain the sovereignty of the people, the administrative machinery is required to work in a spirit of service. It is equally necessary that the chosen representatives should not interfere in the day to day working of the administration.

The question, therefore, often arises, especially in the working of the city government as to what should be the relationship between the deliberative body and the executive. If the executive body is made completely independent of the elected body, it is bound to lead to constant friction between the two bodies which

may result in bringing the whole machinery to a complete stand still If the executive is put completely under the control of the deliberative body, it may lead to unnecessary interference by the elected members in the day to day working of the administration resulting in lack of initiative and the demoralisation of the services and inefficiency Rajasthan comes under the second category. Under the Municipalities Act the Chief Executive Officer works under the administrative control of the President of the Council. The Chief Executive Officer exercises the administrative control over the staff of the Municipal Council under him Although he exercises the power of disciplinary action against certain categories of the staff subject to appeal to the Standing Committee on administration But he is helpless in exercising the administrative control over the technical personnel The Chief Executive Officer can only initiate the transfer of the technical officers Thus the Chief Executive Officer is left without any power and consequently without any responsibility

Any consideration, therefore, of the subject of relationship between the excutive and the deliberative body must bring forth a conflict between the political democracy and administrative efficiency To achieve both the ends, it is highly desirable that those who have the authority must know how to use it, not for their selfish and personal ends but for the general public good They should be men of integrity with high moral standards and good administrative ability And those who have to execute the wishes of the authority must know that they have to do it in a spirit of service and cooperation They have to carry out the orders properly

But the tendency in the present day elected representatives is to interfere more and more in the day to day working of the administration There is lack of initiative and loss of interest in their work by the services and their dependence for their existence is not upon their ability and capacity to work but upon any how securing the support of this or that elected representative who could bring pressure upon the person in auhority The effect of all this, is the growing demoralisation of the administrative machinery and the resultant inefficiency of the administration The municipal personnel have been found to be inefficient dishonest and not the least true to their obligations Laxity and indiscipline could be seen in the departments The municipal administration seems to be quite impervious to the impact of modern tools of management which can go a long way in minimising the drawbacks which mar efficiency

No President elected by the majority support can afford to displease his supporters The office of authority, therefore, becomes a pawn in the game of group factions and party politics And if the services also unfortunatety join such group factions, which usually they do, no improvements can be brought about and no development plans can work

Therefore, to reorganise the municipal administration the functions of the deliberative body and its executive should be clearly demarcated so as to ensure least interference into the day to day working of the executive. The Council should have complete policy control and overall financial power. The day to day working in order to execute these policies and programmes of the Council should be left to the Chief Executive Officer. The President of the Council should have a right to write confidential remarks in the character roll of the Chief Executive Officer. The Chief Executive Officer should be allowed a sufficient amount of freedom to cotrol his subordinates and get work from them so as to ensure discipline and efficiency.

The Punjab Local Government (urban) Enquiry Committee (1957) [19] pointed out that the shortcomings of the present system can be removed by suitably modifying the powers of President vis-a-vis the council and the Executive authority (Chief Officer) appointed to execute the policies and the programmes of the Municipal Councils. The committee feel that the evils of the present system in all categories of local bodies can be minimised, if not altogether eliminated, by restricting the functions and interests of the members including the President to : (a) complete policy control; (b) full and overall financial control; and (c) executive control through supervision.

While we do not intend, in any manner, to undermine the authority of the councils, in fact we intend to make them more autonomous and powerful, we visualise a complete reorganisation of executive set up, with a demarcation of the deliberative and executive functions without making its functioning any the less democratic. The object is to eliminate chances of the councils becoming tools in the hands of those who with sheer force of majority cast public good to winds and ignore the provision of civic amenities. While the members will have all the powers, it will not be exercised by one or few but by all or on their behalf according to the lines laid-down by them. The council will then provide opportunity for doing good and for shaping the future of the towns by those who have the will and inclination to serve the common man with single-minded devotion and public spirit. It will not become a play ground for power politics with the object of propping up one individual to suit the agreed interests of the people forming the majority.

Under this arrangement all powers would vest in the Municipal Council which will have the ultimate financial control and power to lay down policy on all civic matters. The council will have the services of a competent officer with expert know-

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19. *Report of the Local Government (urban) Enquiry Committee, 1957, Punjab Government, Chandigarh.*

ledge to implement its decision and carry out its policy The Chief Executive Officer should have a defined field within which he can function uninterfered with so long as he functions within the four corners of policy laid down and funds voted We expect the elected representatives to give the chief officer a free hand to implement their policy decisions

The Rural-urban Relationship Committee[20] (1966) also pointed out, that there exists a degree of heterogeneity in regard to the executive powers exercised by the Chairman, and much of the mal-administration in local bodies is due to the weak position of the Chiet Executive Officer Theoritically, the staff is subordinate to the Chief Executive Officer but in practice the Chairman has a big say in the promotion and control of the subordinate officials The committee are definitely of the opinion that the Executive Officer must have completec ontrol over the staff and substantial independence in dealing with executive matters In view of the limited resources of Municipal Councils and the scarcity of efficient personnel, the Committee did not recommend the separation of deliberative and executive functions The Committee recommended that the municipal laws should embouy a mandatory provision that the Executive Officer shall have power to appoint, supervise, control and dismiss the subordinate staff and the Chairman's power shall be confined only to the hearing of appeals against orders of punishment passed by the Executive Officer. The Executive Officer should also have the right to remark in the character rolls of all the employees of the Municipal Council The two functionaries i e the Chairman and the Executive Officer must be guided by the spirit of accommodation and avoid occasions of friction In this lies the key to the successful working of the municipal bodies

Thus, the subordination of the Executive to the elected local body, however, does not mean that each and every member of *the municipal body, or that even a group of it, should so inter*fere with the execution of the policies made by the entire body that the purpose of local government is frustrated or thoroughly distorted It is the responsibility and function of the local body to ensure that its policies are promptly, efficiently and honestly executed and, towards that end, it may agree to surrender such of its powers of intervention as may be in the public interest Herein comes the question of the comparative independence of the executive machinery Independence does not mean parallel sovereignty but is rather an essential ingredient of impartiality In short, the executive machinery should have the power and authority to carry out the wishes of the municipal government effectively and yet not make a fetish of independence.

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20 *Government of India—Report of the Rural-urban Relationship Committee, 1966, p 72*

There have already been in this country and elsewhere interminable and inconclusive debates on the relationship between these two wings. People have advocated a strong or a weak mayor, an independent city manager, a completely statutorily independent executive, and an executive which is wholly subordinate to the deliberative wing. It is difficult to support any of these except the last one. Yet, to facilitate the implementation of the policies determined by the municipal government, the executive machinery should be given reasonable freedom from day-to-day interference and allowed to function in an atmosphere not surcharged by individual or group prejudices and whims.

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## CHAPTER III

## MUNICIPAL FUNCTIONS

Under the Municipalities Act of 1959 there are two types of functions i e , obligatory and optional functions [1] For the convenience of the study we can divide the different services into various groups (though not exclusive) This broad categorization includes both the obligatory and optional functions One municipal authority may perform more optional functions than another depending upon the availability of resources at its disposal

**1 Environmental Services :**

These are those services which are designed for the good of the whole community and which aim at providing healthy and pleasant living conditions Some of the important services mentioned in the Act in this category are lighting public streets, places and buildings, watering and cleaning public streets and sewers, removing filth night soil and noxious or offensive matters, removing dangerous buildings and reclaiming unhealthy localities, acquiring, maintaining changing and regulating places for the disposal of the dead, and carcasses, constructing, altering and maintaining public streets, culverts, boundary marks, markets, slaughter houses, washing places drinking fountains, tanks, wells, dams, constructing public latrines, privies and urinals, obtaining a supply of proper and sufficient water, public vaccination, laying out new or old ones and public streets and acquiring land

**2 Personal Services :**

These services are those which are provided for the benefit of individuals This category includes such services as maintaining houses for destitute orphans and cripples and maintaining maternity and child welfare, labour welfare centres, establishing and maintaining primary schools, subsidising the activities of any association of employees by grant of loans for its general advancement, establishing and maintaining public hospitals and dispensaries, providing facilities and paying for anti-rabic treatment, promotion of public health and maintenance of ambulance services, contribution towards any public funds, maintenance of fire extinguishing units etc

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1 *RMA, 1959, Section 98(a) to (c)*

**3. Trading Services :**

These services are commercial in character. The common feature of these services is that the person who uses them pays for their use as if he were buying those services from private suppliers. Services of this nature are municipal transport undertakings, civic restaurants, hotels, swimming baths, municipal laundries etc. The Rajasthan Municipalities Act of 1959 mentions only the supply of milk, holding fairs and exhibitions in this category.

**4. Non-Trading Services :**

These services are a charge on the public funds and they cover a wide variety of inspecting and regulating work. These services include such activities as weights and measures, building regulation and sanitation. The Act includes the following services : Taking a census and granting rewards for the information which may tend to secure correct registration of vital statistics, supplying, constructing and maintaining fittings, pipes and other appliances whatsoever for the use of private premises for receiving and conducting the sewage thereof; establishing and maintaining a farm or a factory for the disposal of sewage; planting and maintaining roadside and other trees; establishing and maintaining cattle ponds; regulating offensive and dangerous trades and practices; removing obstructions and projections on public streets, places etc.

**5. Recreational Services :**

Such services are provided by the local bodies within their jurisdiction for the enjoyment of their inhabitants. Under Rajasthan Municipalities Act such services are constructing, establishing, maintaining or contributing to the maintenance of public parks, gardens, libraries, museums, reading rooms, radio receiving stations, providing music for the people and any public exhibition within municipal limits.

**6. Special Services :**

The special duties of a board/council are[2] : Providing special medical, aid and accommodation for the sick in times of a dangerous disease and taking such measures as may be required to prevent the outbreak of the disease; giving relief and establishing and maintaining relief works in times of famine or scarcity or for destitute persons within the limits of the Municipality.

Thus the list of functions as mentioned in the Act is undoubtedly impressive. The number of optional functions which the

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2. *RMA, 1959, Section 99(a) to (e). State Government have powers under the Act to exempt any council/board from any of the provisions of the sections 98 & 99 : RMA. Section 100.*

municipalities are expected to carry out is still larger They have been provided in this regard, with sufficient discretion to contract and expand their functions as their resources permit Of late unfortunately the state government is increasingly encroaching upon the municipal jurisdiction thus severely reducing the effective role of municipal bodies in providing the services of local nature to the citizens

The municipal bodies in Rajasthan have not made any break through in any area of their functional responsibilities Their functions are more or less the same as they were before the Act Even services of purely local nature like health services, education, water supply are administered directly by the state government The municipalities are also not running any enterprises of their own. In fact all the potential revenue yielding services are gradually being taken over either by the state government or by the Urban Improvement Trusts As a result of this the municipal bodies are sometimes not able to discharge even their obligatory duties

On the whole the picture that the Municipal bodies in Rajasthan present to day is neither optimistic nor satisfactory The municipal bodies have failed to reach to the genuine expectations of the people and have done nothing to justify their existence

## THE WORKING APPARATUS

To perform the above mentioned functions, the municipality operates many departments They are

### 1 General Administration Department

The Commissioner is not only the chief executive but also the administrative head of the council He is responsible for the entire administration of the council He is at the apex of the general administration department This department is divided into four branches

( i ) accounts, ( ii ) legal, ( iii ) establishment and
( iv ) P M C ( President's Municipal Council ) branch

*Accounts branch* is headed by an accountant who is assisted by an assistant accountant and also an internal auditor In the *legal branch,* legal advisor is at the top A number of parokars assist in his work *Establishment branch* is headed by the Office superintendent He has clerks ( U D Cs and L D Cs ) under him to perform the office work, to keep office records etc The *P M C branch* performs supervisory functions over all other sections of the council

### 2 Engineering Department

This department is headed by the Municipal Engineer, who is appointed by the government This department is divided into

two branches : ( i ) the development and construction branch and ( ii ) repairing branch. This department is responsible for repairing roads, building drains etc. It also *performs development* programmes of constructing new shops in its area of operation. The municipal engineer being the head of the department, ( i ) supervises over scrutiny of plans of constructions; ( ii ) preparation of estimates, ( iii ) issuing of notices and construction of new buildings by the public; ( iv ) maintenance and repairs of streets, lanes, drains and other municipal buildings. A number of engineers and overseers work in this technical department.

**3. House Tax Department :**

This department functions through two branches : one deals with the assessment of the House Tax and the other revises tax structure from time to time. Assessment branch is headed by an Assistant Revenue Officer, who in turn, is assisted by inspectors. The office-work is performed with the help of clerks. *Revising branch* is headed by a Revising Officer assisted by clerks.

**4. Octroi Department :**

This department constitutes the financial backbone of the council. This department functions through two branches : one is *internal audit* which is under the charge of an internal auditor, assisted by a host of clerks. Another branch, which performs the functions of *lineagency* is headed by an Assistant Revenue Officer. Inspectors supervise the work of octroi posts where nakedars and jamadars are posted. The ultimate responsibility of the department of octroi is that of the octroi Superintendent. He exercises control over both the branches.

**5. Revenue Department :**

This department is mainly concerned with the realisation of revenues. It is headed by a revenue officer who is assisted by an assistant revenue officer, inspectors, clerks and jamadars. This department is mainly entrusted with the task of detection of and penalty on encroachments and realisation of various licence fees and other revenues of the council.

**6. Health Department :**

It is the biggest department of the council and is headed by a medical and health officer. The main functions of the department are : efficient and expeditious discharge of public health services enforcement of measures relating to public health, sanitation and conservancy, prevention of malaria and infectious diseases, preventing of adulteration of food stuffs and enforcing hygienic conditions, supervision of slaughter houses and collection of vital statistics.

For implementation of health programme, each city has been divided into a number of circles and these circles function under the supervision of sanitary inspectors.

**7. Fire Prevention Department :**

This department deals with public safety works. Fire prevention officer works as the head of the department, assisted by firemen, drivers and cleaners. The department is responsible for extinguishing fires and protecting life and property in case of fire within the municipal area. Necessary fire-fighting engines, ambulances etc. are provided.

**8. Garage Department :**

This department is headed by a garage superintendent. The duty of this department is maintenance and repairs of vehicles used by the municipal council.

**9. Prosecution Department :**

This department deals with the infringment of municipal bye-laws. Prosecutions are launched against persons involved in food adulteration, encroachment of municipal land, non-payment of municipal taxes etc. Municipal councils have their own lawyers and staff for this purpose.

**10. Water Department :**

Water supply is the responsibility of water works department of the State government, except in Ajmer where the municipal council is responsible for it. There is an assistant engineer for water supply who supervises the work of this department The realisation of dues is done by the tax collectors under the supervision of inspectors.

# CHAPTER IV

## MUNICIPAL FINANCES

### Sources of Revenue

'It is being said that the franchise of the electorate has been enlarged and the local bodies have been given very wide powers. True, I accept it. But what good would come out of it unless and until the question of local finance is settled first. The extension of franchises and widening the scope of duties would be like dressing a dead woman.' —*SARDAR PATEL*

The outstanding feature, as traditionally held, of Municipal expenditure is that it is intended and designed to be of local benefit, so in turn, the outstanding characteristic of Municipal revenue is that it is derived from local enterprise, local services or wealth of the Municipal citizenery. This conventional belief, however, cannot be accepted literally. As a general principle it may claim its validity. But due to present situation, specially obtaining in India, principle and expediency very often come into conflict, because the line of demarcation between local and national is not clear at all. "Local revenues are, it is now clear inadequate for local purposes, because the word "local' has changed its meaning in actual practice. It is now a convenient but not a "generic" term. Local needs are more national than local and local revenue cannot be derived from purely local sources because taxes which are exclusively local in their incidence and effects are, relatively speaking, unimportant."[1]

The financial resources at the disposal of local bodies can be catagorised as revenue from:—

(i) Taxation and fees.
(ii) Public undertakings and Municipal property.
(iii) Cash subvention i.e. grants-in-aid from the State Government.
(iv) Loans.

**TAX REVENUE**

Tax is the most ancient source of Municipal revenue. But now a days because of the emergence of alternative sources

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1. *Gyan Chand; Local Finance in India, page 135.*

of income with the Municipal bodies, it has ceased to be the single largest source of revenue Taxes may be of various descriptions, but they are essentially of the same characteristic i e. they are compulsory contributions from the private wealth of the citizen without any quid pro quo. The taxes on property, on trades and professions, on entertainment and transportation etc. are all of alike essential character in as much as they take into account only the ability to pay of the tax payer, and have no direct relationship with the services rendered to him

Taxation is one of the most significant sources of revenue of the Municipal Councils Sections 104 and 105 of the RMA 1959 empowers the council to impose a number of taxes The "Obligatory Taxes" as dealt with under section 104 of the RMA 1959 are:—

( i ) A tax on the annual letting value of buildings or land or both situated within the Municipal limits.

( ii ) An octroi tax on goods and animals brought within the Municipal limits for consumption, use or sale therein

( iii ) And a tax on professions and vocations.

The "Other Taxes" enumerated vide Section 105 of the aforesaid Act are the following which, subject to any general or special order by the State Government in this regard, may be levied by the Council. These include:—

( i ) A tax on vehicles and other conveyances plying for hire or kept within the Municipal limits.

( ii ) A tax on dogs kept within the Municipality.

( iii ) A tax on animals used for riding, driving draught or burden when kept within the Municipality.

( iv ) A toll on vehicles and other conveyances and on other animals entering the Municipality.

( v ) A tax on boats moored within the Municipality.

( vi ) A scavanging tax.

( vii ) A tax for cleaning private laterines.

(viii) A general sanitary tax for the construction and maintenance or both of public laterines and for removal and disposal of refuse.

( ix ) A lighting tax.

( x ) A water tax for water supplied by the Council, which may be imposed in the form of rate assessed on annual letting value of buildings and lands or for both or in any other form.

( xi ) A tax on trades and callings carried out within the Municipality and deriving special advantages from or imposing special burdens on Municipal services.

( xii ) A tax on artisans.

(xiii) Any other tax which the State Legislature has power to impose under the constitution.

As pointed out above, tax revenue constitutes a significant portion of the total revenue of the Council. It is with these funds that the Municipal Council can and does endeavour to launch upon any new sheme.

**Octroi :**

Octroi is an old tax dating back to the Mughal period when it formed a part of the revenues of the State and was known as "Chungi", a Persian word meaning "a handful."

It is the most lucrative of all the taxes of the Municipal Council. There is little exaggeration in speaking of it as constituting the financial backbone of the Municipal Councils. In Rajasthan about 82.7% of total revenue is derived from this tax alone.[2] In fact one of the causes why this tax is not being done away with, despite general consensus against its imposition, is its significant contribution to the Municipal finances.

Octroi is a tax on goods and animals which are brought within the Municipal limits for consumption, use or sale. It is not levied on goods which are sent out of the Municipality. A rebate is granted on goods which are once brought within the Municipality and then despatched to subsequent destination. Refundability of octroi is thus a feature which distinguishes it from the terminal tax. Moreover, octroi is leviable only on incoming goods while terminal tax can be levied on outgoing goods as well.[3]

The importance of Octroi in the Municipal finances is apparent from a study of Jaipur Municipal Council.

Table 1

Jaipur Municipal Council

| Year | Income through Octroi | Precentage of total revenue | Precentage of tax revenue |
|---|---|---|---|
| 1 | 2 | 3 | 4 |
| 1964-65 | 19,62,678 | 35.43 | 57.54 |
| 1965-66 | 20,66,197 | 37.15 | 65.13 |
| 1966-67 | 22,66,864 | 36.89 | 62.49 |
| 1967-68 | 26,62,690 | 33.76 | 70.09 |
| 1968-69 | 38,01,741 | 37.26 | 71.78 |

2. *Rural Urban Relationship Committee Report, Government of India, Vol. 1, p. 93.*

3. *Ibid., page 92.*

The above figures clearly bring out the increasing importance of this tax in the Municipal revenue structure. The percentage rise has been really astonishing. Though of late, because of the emergence of other resources of revenue, its contribution to the total revenue has registered a decline yet it is noteworthy.

Octroi is widely held to be the most obnoxious among the taxes. It has been described as a "barbarous system of universal taxation." The case against octroi which has been set forth so often in official declarations and memoranda is supported mainly on the following grounds :—

It is a regressive tax which falls mainly on the necessities of life like food, clothing etc. As bulk of the goods entering the city area consists of articles which cater to the daily requirements of the general public, it is they who suffer most from the levy. Thus it offends against all cannons of equity and justice.

The barriers put up for the collection of octroi divide the country and obstruct free flow of traffic, trade and commerce and thus retard economic development.

An unequal incidence of octroi encourages the migration of trade and industry from one town or city to another. Thus it has a creeping effect of effecting lopsided regional development.[4]

The identification of goods for the levy and elaborate procedure involved in the process of refund make octroi vexatious and costly. The cost of collection is heavy and therefore, the tax entails great financial burden which, apart from its inherent evils is a very strong argument against its imposition.

The following figures of Jaipur Municipal Council clearly show the rising cost of collection of the octroi:—

Table No. 2

| Year | Net collection | cost of collection | Percentage of cost of collection |
|---|---|---|---|
| 1 | 2 | 3 | 4 |
| 1964-65 | 19,62,678 | 3,34,770 | 17.06 |
| 1965-66 | 20,66,197 | 3,59,313 | 17.39 |
| 1966-67 | 22,66,864 | 4,35,810 | 19.22 |
| 1967-68 | 26,62,690 | 4,95,382 | 18.60 |
| 1968-69 | 38,01,741 | 5,40,414 | 14.21 |

Thus, not only it offends against all cannons of taxation but also takes away an increasing portion of the amount collected,

4. *Rural Urban Relationship Committee Report, Vol. 1, p. 92.*

as cost of collection. Since octroi out-posts have to be erected on every road leading to the city, its establishment and other charges naturally go up.

The last but most important argument against the levy is that the tax gives rise to numerous corrupt practices and makes it vexatious for the tax payer. The fact that the assessment and administration of the octroi gives rise to serious inconveniences is due to two reasons. Firstly, the assessment and collection of tax necessitates the setting up of a vast machinery and the enforcement rules cause considerable amount of inconvenience to the tax payers and secondly, the administrative staff which must be numerous and therefore ill-paid and of very inferior quality raise the cost of collection, heavy as it already is, and this further shot up makes the net receipts from the levy so low that it would be hardly worthwhile to levy it.

In favour of octroi it can be appropriately argued that it is an old tax to which the people have got accustomed and it would be wrong to be led away by theoritical considerations into a course of action which may jeopardise the finances of Municipal institutions. Also octroi is a flexible source of revenue which Municipal bodies can exploit in case of need. Being an indirect tax, the Municipal bodies find it easier to impose octroi then direct taxes on lands and buildings. But all these arguments can be suitably countered. To take first that it is an old tax and the people are used to it, is self deceiving. To say that an old tax is no tax is illusory because as H. Dalton points out that if the tax, however old it is is repealed, it would reduce the burden on those who are paying it and hence the tax imposes a burden to the extent that tax payers would benefit in the case the tax is dropped. Besides, to defend an unscientific tax on the ground that it is ancient and also elastic is seeing things in wrong perspective. The condemnation of octroi is based on very real and valid grounds. The Taxation Enquiry Commission put the case against octroi very precisely by remarking that they ( Octroi and terminal tax ) offend against all cannons of taxation. They are uncertain, inconvenient, uneconomical and inequitable.

Inspite of this universal criticism, it has not been found possible to abolish the octroi because it is impossible to conceive alternative sources of local taxation to make good the loss caused by its abolition. At a time when dearth of finance is a chronic disease there is no ground on which a source contributing immensely to the local finance should be scrapped. The Taxation Enquiry Commission observed, "unfortunately on any except a long range view of the situation, it is not practical to envisage a wholesale abolition of octroi. It is obvious that unless adequate alternative sources are developed by all local bodies, such a course will have extremely adverse effects on the Municipalities..."

The Local Finance Enquiry Committee was equally critical of the evils inherent in the octroi system and recommended the replacement of octroi by terminal tax But the Rural Urban Relationship Committee (1966) are of the opinion that octroi and terminal taxes are equally vexatious and obnoxious and, if at all, there is only a difference of degree "[5] Hence both of these taxes should go Though they 'cannot be abolished outright unless alternative sources of taxation which should compensate for the consequential loss of revenue, are found "[6]

A possible alternative, suggested by the RUR Committee to meet the loss from the abolition of octroi and terminal taxes is a surcharge on sales tax or a turnover tax The incidence of octroi and also of the turnover tax is normally passed on to the consumer The turnover tax is levied on the totality of transactions of a dealer But the sales tax is imposed on the specific goods and it exempts traders having a turn over below a certain limit The Committee (RURC) did not recommend the imposition of the turn over tax as it would involve the creation of an elaborate machinery for its assessment and collection Surcharge on the contrary, would not involve much additional expenditure as it can be assessed on the basis of the existing rates of sales tax and can be collected along with it

The Government of Rajasthan has recently decided to levy a turn-over tax,[7] instead of octroi tax A very important tax that octroi undoubtedly is, it is worthwhile examining the repercussions of its abolition As an alternative to the existing octroi tax, the finance minister proposed to levy a Turn over Tax on the assessees of sales tax and its proceeds would be made over to the Municipalities after deducting administrative expenses The basis of payment of this Turnover Tax to the Municipalities would be the amount equal to its actual net income from octroi in 1967-68 or the average annual net income during the last 3 years, preceding 1st April 1968 whichever is higher

As far the municipalities are concerned the levy of the proposed Turn over Tax would only make the situation more complicated Octroi duty was collected at the outposts and deposited with the Municipality Now they will have to run to Jaipur (i e State Head Quarters) again and again to get their share of money as collected by the Government The Municipalities have to send their officials frequently to the State Head quarters to get their share of grants in aid Now they will have to do the same for getting the proceeds of Turn-over Tax also

5 *Rural Urban Relationship Committee Report, Vol I, p 93*
6 *Ibid , p 93*
7 *Budget speech of the Finance Minister, Government of Rajasthan, for the year 1969–70, Government Press, Jaipur, p 26-27*

Further the new system would provide a good handle to the State Government to be used against Municipalities on political considerations Once the State Government fixes the rate on the basis of the formula of 3 years' average, it would be impossible for the Municipalities to get the amount revised over 5 or 6 years. The municipalities will have to cross lot of hurdles before they can convince the State officials about the need for the revision of the amount fixed as their share out of the Turn-over Tax. Thus the Municipalities will be at the mercy of the State Government for getting it revised from time to time. Another snag in the proposed scheme is that the State Government would deduct "administrative expenses" incurred on the collection of the proceeds of the proposed tax, which may be another point of conflict between the municipalities and the state government.[8]

While abolishing octroi tax the State Government should take account not only of the inherent evils of the tax but also the revenue it contributes towards Municipal finances. The State Government should ensure that the Municipal institutions are adequately compensated for the loss caused by the abolition of octroi.

**Property Tax.**

Next to octroi, property tax is the most important source of the tax revenue. The future of Municipal finances depends on the full exploitation of the taxes on lands and buildings. In fact in the States where octroi is not levied it is the most lucrative source of revenue to the municipal bodies. Its percentage contribution to the total tax revenue is as high as 82% in West Bengal, 78% in Assam, 77% in Bihar, 47% in Tamil Nadu and 46% in Bombay.

It is a tax on annual letting value of a building and land. In case the property is not let-out, a certain percentage of its cost of construction and value of land with deduction for depreciation is taken into consideration for the purpose of assessment. Generally, charitable, philanthropic and religious buildings and institutions like schools, colleges and hospitals are exempted from this tax. In Rajasthan, Government buildings are also exempted from this levy.

The assessment of the tax is quinquennial i.e. revised after every 5 years. But a new building is assessed whenever it is ready for occupation. Unlike the practice prevalent in the Western countries, particularly in England the tax is charged from the owner of the house and not from the occupier or tenant.

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*8. C. P. Bhambhari : Studies in Public Administtraion', University of Rajasthan p. 33–34.*

The basis of the tax is annual rental value of property From September 1953 to March 1960 the rate of tax was only 5% on the annual rental value, which from April 1960 was increased to 6¼% Now it is 6% of the rental value Similarly prior to March 1961, the exemption limit of rental value of a house was Rs 300/ and it was lowered to Rs 120/- in 1960 61 and again increased to Rs 180/- in December 1962

The following table shows the revenue of Jaipur Municipal Council derived from this source since 1964 65

Table No 3

| Year | Property Tax | Total Tax Revenue | Percentage of Property Tax to Total Tax Revenue |
|---|---|---|---|
| 1 | 2 | 3 | 4 |
| 1964 65 | 7,74,136 | 34,10 817 | 22 7 |
| 1965 66 | 7,14,928 | 31,72 178 | 22 5 |
| 1966-67 | 6 94,842 | 36 27,421 | 19 2 |
| 1967 68 | 10 67,543 | 37 99,119 | 28 2 |
| 1968-69 | 11 27 211 | 52,95 971 | 21 3 |

From the above figures it is clear that average percentage contribution of the property tax to the total tax revenue comes around 23% and this tax shows bright prospects The yields though subject to variations from year to year have been substantial The variations in the proceeds of collection is due mainly to the increasing backlog of arrears That, of late, mounting tax arrears have made a big dent in the municipal financial administration of Jaipur Municipal Council would be clear from the following figures -

Table No 4

| Year | Tax Arrears (Amount in Rs ) |
|---|---|
| 1964 55 | 12 85,186 |
| 1965 66 | 14,70,158 |
| 1966-67 | 16 75,316 |
| 1967-68 | 18,10,302 |
| 1968-69 | 16,53,104 |

The question regarding property tax is not whether or not to levy it, for it is a general consensus that it is quite suitable tax for local authorities for increasing their revenues as also for making their tax structure more equitable Its collection is easy and evasion difficult, its incidence is local and also it is elastic in the sense that by changing rates, we can have increased or reduced amount of tax proceeds.

The problem today is what should be the basis of property tax ? At present it is the annual rental value of the real estate. Moveable property is not subject to this tax. This basis of assessment is not a good one as rent is subject to fluctuations. As against this, it has been suggested that the capital value of the property should be made the basis of assessment as it is practised in some of the Western countries. It has been argued that if the latter basis ( i. e. on the basis of capital value of the property) is adopted the tax can be made more progressive. This change will not be of substance but merely of form because capital value itself is nothing but capitalised income and yet the changes in form will have many advantages. It will be objective rather than hypothetical, as it is at present. But as against this, it is stated with equal force that capital value is not more objective than rental value. Everything depends upon the assessing agency. Depreciation, cost of construction and various other complicated factors have to be taken into account. The best system probably can be a tax on the basis of annual rental value but with some relationship to the income of the owner estimated according to the principle of ability to pay and at the same time it can be made progressive.

It is not out of place to point out that assessment officers are not experts in their job. They have no special training in their work with the result that they commit mistakes. As such they are ill—paid, susceptible to corruption and frequently come under undue influence of the rich and the powerful. The crux of the problem is that entire work rests on the shoulders of the assessors who are untrained and ill—paid. It will be much better if the State Government decide to lend the services of their revenue officers for the purposes of assessment as they used to do the same in the past.

## RECOMMENDATIONS OF THE RURAL URBAN RELATIONSHIP COMMITTEE REGARDING PROPERTY TAX.

The RURC made the following recommendations with regard to the property tax. The Committee opined that the future of Municipal finances depends on the full exploitation of the taxes on lands and buildings. Below are mentioned some of their major recommendations in this regard.

### 1. A Statutory Minimum Rate:

Since the burden of the tax on property falls directly on the residents, the local authorities are reluctant to levy it even at rates which could be termed reasonable. The Committee therefore recommended that there should be a statutory minimum rate of 10% on the annual rental value of the property.

**2. Basis for Assessment**

The annual value of buildings and lands form the basis for the assessment of the tax. It can be determined in one of the following ways —

( i ) Gross annual rent at which a property may reasonably be expected to be let, or

(ii) The 'actual rent' whether contractual or payable under the rent control law by the occupier to the owner, or if the property is occupied by the owner, rent equivalent to that of similar properties in the locality;

(iii) In the case of office buildings, business premises, factories and workshops and other institutional properties, a certain percentage of estimated capital value of the building and appurtenant land.

**3. Machinery for Assessment**

The machinery for the assessment of the annual value and recovery of the tax is no less important than the rate of tax or the assessment of annual value. There is a need for an impartial and independent machinery to make fair assessment The Committee feel that sporadic attempts do not help build up experience and expertise in this specialised field and therefore recommend —

( i ) There should be a Chief Valuation Officer in the Directorate of Local Bodies, who should lay down principles for determining the annual values and supervise and control the Valuation Officers

(ii) There should be full time Valuation Officers for cities with a population of 5 lacs or more For groups of smaller cities and towns, Valuation Officers should be appointed according to the volume of work.

(iii The assessment lists should be prepared by the Valuation Officer with the assistance of the Executive Officer and published for objections After deciding the objections, the Valuation Officer may finalise the list.

(iv) Appeals against assessment made by the Valuation Officer shall be made to the Chief Valuation Officer.

(v) An appeal against the decision of the Chief Valuation Officer shall lie to the District Judge

**4. Periodical Assessment**

Usually the Municipal Acts provide for a quinquennial assessment of the annual rental value. But for want of appropriate machinery, it is not unusual that assessment lists are not regularly revised and the old lists continue to operate for a long

time. This deprives local bodies of higher revenue. The Committee would like to place on the Chief Executive the responsibility for maintaining an upto-date list of new buildings constructed and additions and alterations to the existing buildings made.

### 5. Collection of Taxes

The Municipal bodies have woefully neglected the work of recovery of taxes. Arrears continue to accumulate until they become irrecoverable and have to be written off. It is mainly due to lack of proper and adequate collecting and supervisory staff and the unwillingness of collecting agency to take prompt and timely action. The Committee are definitely of the view that Executive Officer in case of small and medium sized Municipalities and the Revenue Officers in major cities should be made accountable for collection falling below 75%. In case of repeated defaults in recovery of the tax arrears the Municipal Council should be liable to be dissolved.

### Entertainment Tax

This tax was taken over by the State Government in 1965 and a grant in lieu of entertainment tax collected by the government in the areas of respective Municipalities, is made over to them. The grant in lieu of the entertainment tax is based on the last 3 years' average income. The following figures show the revenue earned by the Jaipur Municipal Council through the source of entertainment tax :-

Table No. 5

| Year<br>1 | Amount ( in Rs. ) of collection<br>2 | Percentage to Total Tax Revenue<br>3 |
|---|---|---|
| 1964-65 | 6,21,136 | 18.2 |
| 1965-66 | 3,38,898 | 10.7 |
| 1966-67 | 6,44,457 | 17.8 |
| 1967-68 | 3,34,536 | 8.8 |
| 1968-69 | 3,24,664 | 6.1 |

Its base is absolutely local, collection is simple and yields are substantial. There can be no ground on which the local bodies should not levy this tax. The Rural-Urban Relationship Committee has endorsed this view. The Committee are of the view that entertainment tax is essentially local in character, being paid by the local residents and its proceeds should be made over to the local authorities after deduction of collection charges in case where collections are made by the State Government.[9]

9. *RURC, Report, Vol. I, p. 103.*

**Vehicle and Animal Tax :**

The RMA 1959 permits three separate taxes under this head which can be and usually are levied together. These are :—

(i) A tax on vehicles other than mechanically propelled vehicles and conveyance kept within the municipality or plying therein for hire and on boats moored within the Municipal limits

(ii) A tax on dogs kept within the Municipality.

(iii) A tax on animals used for driving, draught or burden

These taxes are raised and collected (except a tax on dogs kept within the Municipality which is non-existent) by means of licences and permits The rates of fee vary for different classes of animals and vehic es The Municipal Council grants exemption to certain kinds of vehicles e g parembulators for chi'dren, bicycles of policemen, Municipal employees, school and army vehicles etc.

The receipts of Jaipur Municipal Council from this tax is as follows -

Table No 6

| Year | Total amount (in Rs ) | Percentage to total Tax Revenue |
|---|---|---|
| 1 | 2 | 3 |
| 1964–65 | 52,867 | 1.6 |
| 1965–66 | 52,185 | 1 6 |
| 1966–67 | 21,252 | 0 6 |
| 1967–68 | 42,350 | 1 1 |
| 1968–69 | 42,356 | 0 8 |

There are large variations in the amount of collection (column 2 & 3) One of the important reasons for this is the abolition of Cycle Tax in 1966. The tax was again imposed in the subsequent year. In view of the shortage of funds with the council there is no room for placating people by dropping old taxes yielding substantial revenue like cycle tax At present Motor Vehicle Tax is not levied by the Municipal Council As light vehicles mostly operate in Municipal areas the local bodies should also get a share from the Motor Vehicle Tax. After giving full thought to the question of sharing the RURC recommended that 25% of the receipts from this source should be allocated to the local bodies.[10]

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*10. RURC Report, Vol. I, p. 101*

**Tax on Professions and Vocations**

It is a kind of local income tax and is levied on trades, professions and callings. The incidence of property tax falls mainly on propertied class while the incidence of this tax falls chiefly on professional and business class. The Taxation Enquiry Commission (1950) laid emphasis on its imposition by the local bodies.

This source of revenue, which promises great unrealised potentialities has not so far been tapped by the Municipal Councils. It should be assessed on a progressive scale rising according to the tax payers' economic position. The method of assessment should be simple and licences and permits shou'd be issued on payment of the tax for carrying on their trades and professions.

In view of the need for additional resources for carrying out their obligations the Councils should make no delay in introducing this tax. The councils should act boldly in tapping this source of revenue as there may be stiff opposition to the levy by the tax payers' class who are influential and quite vocal. In course of time the people will be accustomed to it and it will no more be resented.

Here it will not be out of place to record the recommendations of the Local Finance Enquiry Committee regarding local taxes. It recommended that "In order to give the local bodies definite sources of revenue, it is suggested that a convention may be established by which net proceeds from the following sources of revenue shall be exclusively available for the local authority."

(i) Land and buildings.
(ii) Mineral right.
(iii) Entry of goods into local area for consumption, use or sale.
(iv) Consumption or sale of electricity.
(v) Advertisements other than those published in newspapers.
(vi) Goods and passengers carried by roads or inland waterways.
(vii) Vehicles other than mechanically propelled.
(viii) Animals and boats.
(ix) Tolls.
(x) Professions, trades, callings and employment.
(xi) Entertainment, and
(xii) Capital taxes.

The Committee also recommended that the State Government'sproperties should also be liable to local taxation and "while Union Government's properties may continue to enjoy immunity

from local taxation, the Union Government should also adopt the practice of governments in other countries and make a contribution to local bodies in lieu of such taxes "[11]

Most of the abovementioned taxes are not presently levied by the Municipal Councils in Rajasthan.

## NON-TAX REVENUE

The study of the sources of revenue of the Municipal Councils would not be complete without an examination of the sources of non-tax revenue. Unlike revenue from various taxes, the non-tax revenue has a close and direct relationship with the services rendered. Quid pro quo is its essential basis. The income derived from this source is undoubtedly not a large portion of the total revenue. But a close study of this source of income would unmistakably reveal that there is a slow but steady increase in the amount of revenue which these sources yield. The Taxation Enquiry Commission (1953-54) held the view that every encouragement should be given to the Municipalities to develop and expand their non-tax revenue and that the income from this source should not be confined to the more orthodox items e. g. licence fees, market charges and the like. Besides fees, income from Municipal domain and profits from Municipal enterprises also form the part of the total non-tax revenue of the Municipalities. In progressive Municipalities where the civic consciousness is wider and deeper and where there obtains a pronounced awareness of the collecting efforts for common good, an increasing portion of the Municipal revenue is derived from the profits of Municipal undertakings. It consists of rents of Municipal lands, houses, dak bunglows, and sale proceeds of Municipal properties. It also includes income from certain trades and services rendered by the Municipality.

Non-tax revenue generally comprises the following :-

(i) Rents of land, rest houses and dak-bungalows.

(ii) Sale proceeds of land and produce of land.

(iii) Fee and revenue from Educational Institutions.

(iv) Local loans and interest on invesiments.

(v) Grants-in-aid.

(vi) Revenue from the Commercial undertakings run by the Municipalities.

The following figures show the importance of non-tax revenue in the financial structure of the Jaipur Municipal Council:—

11. *Local Finance Enquiry Committee Report (1949–50), p. 561.*

Table No. 7

| Year | Total revenue | Non-Tax revenue | Percentage to Total revenue |
|---|---|---|---|
| 1 | 2 | 3 | 4 |
| 1964-65 | 55,39,483 | 10,13,981 | 18.30 |
| 1965-66 | 55,61,408 | 12,39,741 | 22.29 |
| 1966-67 | 61,45,185 | 11,40,460 | 18.55 |
| 1967-68 | 78,86,753 | 13,90,934 | 17.63 |
| 1968-69 | 1,02,04,894 | 14,36,510 | 14.07 |

The figures confirm that the contribution made by these sources of revenue to the Municipal finances is gradually declining. It is partly due to the fluctuating amounts of grants-in-aid given to the Council and also partly to the varying amounts of loans which the Council has contracted from time to time.

We now take up a detailed discussion of each of these heads which put together constitute non-tax revenue of the Council.

**1. Rents of land, houses, rest houses and dak-bungalows**

The Municipal Council owns considerable lands and quite a large number of shops and receives rent by letting them. Income from this source has been increasing. This has happened because of two reasons. Firstly, because of heavy development expenditure in urban areas, the price and rent of the land has gone up and secondly, because there has taken place considerable increase in the number of migrants from the rural areas, apart from those victims of partition who were forced to leave their homes in Pakistan.

The figures given below show the importance of this source of revenue in the Municipal financial structure of Jaipur Municipal Council :–

Table No. 8

| Year | Amount in rupees | Percentage to Total Non-tax Revenue. |
|---|---|---|
| 1 | 2 | 3 |
| 1964-65 | 2,44,959 | 24.2 |
| 1965-66 | 2,58,008 | 20.8 |
| 1966-67 | 2,58,770 | 22.7 |
| 1967-68 | 3,50,257 | 25.2 |
| 1968-69 | 2,11,049 | 14.7 |

Non issue of bills and the inefficiency of the authorities has been mainly responsible for the decline in the yields from this source in the year 1968-69.

With growing economic prosperity, it would have been advisable to revise the rate of rent of Municipal property

**2. Sale proceeds of land**

Like the yield from Municipal property, the Council also receives revenue by disposing off Municipal lands Of late, there has taken place a considerable appreciation in the value of land because of growing urbanisation This has resulted in yielding substantial income to the Municipal Council However the marked variations in the amount of revenue (Table No 9 column 2 & 3) has been because of its being disposed off by auction to he highest bidder Also the changes in the revenue proceeds have been due to changes in the size of land so disposed off The following Table clearly brings out the importance of revenue yielded from this source to the Jaipur Municipal Council —

Table No 9

| Year | Amount in rupees | Percentage to Total Non tax Revenue |
|---|---|---|
| 1964 65 | 20 278 | 2 0 |
| 1965 66 | 42 982 | 3 5 |
| 1966 67 | 23 374 | 2 0 |
| 1967-68 | 29 763 | 2 1 |
| 1968 69 | 26,197 | 1 8 |

**3 Teh-Bazari**

Teh Bazari is a charge on all retail sellers who use roads and pavements for selling their goods and provisions Under this head the income which it yields has registered a steady upward increase mainly because of two reasons (i) an increase in the rate of tax and (ii) the influx of rural and refugee population in the city who earn their living by selling goods on pavements

The Table below shows the income derived from this source by the Jaipur Municipal Council -

Table No 10

| Year | Amount in rupees | Percentage to Total Non tax Revenue |
|---|---|---|
| 1964 65 | 80,212 | 7 9 |
| 1965 66 | 85,034 | 6.9 |
| 1966 67 | 98,359 | 8 6 |
| 1967-68 | 1,15 203 | 8 2 |
| 1968 69 | 1,13 047 | 7.9 |

### 4. Conservancy Receipts and Sale Proceeds of Sewage

Under this head comes the revenue obtained through the disposal of night soil and garbage etc. The Municipality charges conservancy receipts of 5% of the annual rental value of the property for the sweeping and cleaning of roads and removal of rubbish from the suburbs of the city. Besides this, the Council also charges a fee for the construction of private latrines.

The yields from this source of Jaipur Municipal Council are rising as is shown from the following Table :—

Table No. 11

| Year | Conservancy receipts | Sale proceeds of sewage |
|---|---|---|
| 1 | 2 | 3 |
| 1964-65 | 12,340 | 10,108 |
| 1965-66 | 11,580 | 8,439 |
| 1966-67 | 13,763 | 16,340 |
| 1967-68 | 15,325 | 18,250 |
| 1968-69 | 16,221 | 22,350 |

### 5. Income from fees

This source of income for the Council includes fees from the various licences which the Municipal Council issues for trade in kerosene oil and other fuel, charcoal and timber, cotton, vegetables, dogs, loud speakers and fee under section 161 of the RMA, 1959. The Section states "that no place within the Council area shall be used for melting thallow, for boiling bones and blood, as a shop house, as a brick field, brick kiln, pottery and kiln, as an Engine House or a place of smell, noise or smoke except under a licence from the Municipal Council which shall be rendered annually. Yields from this source are as below :—

Table No. 12

| Year | Amount in rupees | Percentage to Tota Non-tax Revenue |
|---|---|---|
| 1 | 2 | 3 |
| 1964-65 | 3,68,634 | 36.4 |
| 1965-66 | 4,26,567 | 34.4 |
| 1966-67 | 5,13,483 | 45.0 |
| 1967-68 | 4,90,970 | 35.3 |
| 1968-69 | 7,83,091 | 54.5 |

Malpractices are common in this area of tax realization. Collections can be increased by plugging loopholes.

### 6. Income from Fines and Penalties

Under the Prevention of Food Adulteration Act, the Municipality charges Licence fees from dealers of food articles and drinks hotels, restaurants, sweet shops, bakeries, dairies, and ice cream manufacturers A good sum of revenue is derived from fines and penalties on defaulters in case of adulteration and stray cattles The figures below show the amount of revenue which this source is yielding from year to year —

Table No 13

| Year | Amount in rupees | Percentage to Total Non-tax Revenue |
|---|---|---|
| 1 | 2 | 3 |
| 1964 65 | 1,10,590 | 10 9 |
| 1965 66 | 1,07,931 | 8 7 |
| 1966 67 | 8,01 889 | 70 31 |
| 1967-68 | 4,25,464 | 9 0 |
| 1968 69 | 1,23,281 | 8 6 |

### 7. Revenue from Educational Institutions

Prior to the year 1954 the Council used to get a small income from this source (primary education) in the form of fees. But since 1954-55, the Government of Rajasthan has taken over the responsibility of providing primary and secondary education. Therefore, the income from this source has been reduced to almost nil. Now the Council is running only 3, 4 schools mainly for students coming from scheduled castes and scheduled tribes and other brackward classes.

### 8 Revenue from Markets and Slaughter Houses

Such fees are levied on the people who utilize the market facilities provided by the Council. Market fee and stall rents are not only justified but may quite legitimately be charged on the principle of competitive economic rent for each place. On the other hand the Municipal Council does not allow indiscriminate salughtering of animals at all places in the city due to its unhygenic repercussions on the city environment. Moreover religious sentiments attached to the slaughtering of some animals by some communities further necessitates such restrictions Consequently the Municipal Council operates 3 slaughter houses where animals are slaughtered and for the use of which a fee is charged.

The revenue derived from this source is as follows :—

Table No. 14

| Year | Amount in rupees | Percentage to Total Non-tax Revenue |
|---|---|---|
| 1 | 2 | 3 |
| 1964-65 | 15,960 | 1.6 |
| 1965-66 | 13,984 | 1.1 |
| 1966-67 | 9,382 | 0.8 |
| 1967 68 | 7,451 | 0.5 |
| 1968-69 | 14,007 | 0.9 |

**9. Revenue from Commercial Undertakings**

The Municipalities have not so far intended to tap this potential source of revenue This holds true in case of almost all Municipal institutions in India. In foreign countries (specially in the West) where civic consciousness is wider and deeper and where there exists a pronounced awareness of the collective efforts for the good of the community, this source of revenue, in its yields, has surpassed all the rest heads of income of such institutions. The Municipalities can undertake, with advantage, certain industries on commercial lines such as city transport service, theatre houses, milk, gas, water and electricity supply etc.

**10. Grants-in-aid**

Cash subventions from the higher to the subordinate authorities have become an outstanding feature of public finance in a large number of countries. They have become an important instrument of the financial readjustments rendered necessary by the stress of economic facts, by the impact of new political ideals. Grants are, so to speak, the trump cards in the final analysis and the balancing factor in any satisfactory system of local finance.

(The system of giving grants-in-aid to local authorities to perform their functions has developed out of necessity. As the Central and State Governments burden local authorities with more and more functions they have a moral obligation to assist them to carry out these functions, particularly when the principle sources of revenue have already been tapped by them.) The principle that grants-in-aid should form one of the important sources of revenue of local authorities has been accepted all over the world. It has been estimated that in U.K. grants constituted about 42 per cent of the total local revenues in 1961.

Grants-in aid to local bodies are necessary for various reasons Firstly, they provide local authorities a sound basis for administration and planning of their activities They assure balanced growth among local units by providing a uniform minimum standard of service to all the people regardless of the financial conditions of local Government They can also be used as an instrument to encourage and stimulate certain policies and pro grammes e g family planning which is considered desirable in the larger national interest. They also help the development of certain services e g education and health which are of national importance The greater the interest of the State in the services the greater should be financial aid from the State to the local bodies The grant also enables local bodies to cover the increased cost of administration and payment of increased salaries, cost of living allowance, etc necessitated by the post war change in the value of money

Sidney Web in his famous book "Grants in-aid" has very precisely given the following four reasons for giving grants in-aid -

(i) To prevent an extreme inequality of burden between one district and another,

(ii) To enable federal authority to interfere in the local administration *with a view to improving it,*

(iii) To impress upon the local authorities to maintain a national minimum efficiency in administration, and

(iv) To enable the local authorities to take advantage of the administrative experience of the Central Government

Functions performed by the local bodies are either purely local or somewhat national in character They have to be nation ally conceived but locally executed In case of these services it is against all cannons of social welfare to let the limitations of local resources determine the levels of their attainments Provision of education, community health services fall under this catagory and in their case the nation has to ensure against their falling below the minimum national standard of efficiency

Whatever may be the reasons for their (grants in aid) justification, the real justification for them is the need of relief This is all the more important in our country Our's being a federal polity there are demands made by three competing authorities the Union Government, the State Government and the Local Bodies on the limite
under developed as the cc
for resources the local boc
tition for resources betwe
ces are left for the local bodies, the per capita expenditure in India in 1941 was Rs 21 whereas it was Rs 674 in Australia

Rs. 878 in Great Britain and Rs. 976 in U. S. A. With low level of expenditure the local bodies also have less to spend.

Moreover, the system also takes away all the important and most potential revenue yielding resources like the income tax for the Union Government. There is no possible solution to this except assignment of proceeds to the different States unless, we are prepared to levy local income-tax on the U. S. pattern.

Financial assistance from the Central or State Government to the local bodies can be made either through grants or through assigned revenues. By "assigned revenues" is meant that the proceeds of certain taxes are exclusively assigned to the local bodies. By "shared revenues" is meant that the proceeds of certain State revenues are shared by the State with local bodies. Conflicting opinions have been expressed on the question whether grants-in-aid or the assignment or sharing of State taxes is the better method of rendering financial assistance to the local bodies.

In Rajasthan five types of grants-in-aid are given to the Municipalities by the State Government. These are : (i) annual grant; (ii) grants for adhoc increase in dearness allowance of the municipal employees; (iii) grants for purchasing wheel-barrows and hand carts and (iv) the cattle fair grant. Grants may be withheld, reduced or stopped by the government if a Municipal Council/Board fails to meet certain minimum standard of services laid down by the government.

In recent years grants-in-aid have come in for severe criticism. It is said that grants are doles and the local bodies lower their prestige by going in for them. This is surely a mistaken view. They are not doles, but merely another method of givig the local bodies a share of some taxes taken away from them.

Again, they are criticised on the ground that they lead to unnecessary external intervention in local affairs. But this contention is only partly true. There has been an increase in grants-in-aid given to the local bodies but the amount of intervention has not increased to the same proportion. Certain control is necessary to safe-guard local bodies against possible extravagance of money in which they have no interest in so far as its collection goes. The intervention is also desirable to see whether the work is done properly or not. However, the grants of cash subvention should not become a ground for general intervention in municipal financial administration. This should be the work of audit department and it would be much more desirable to have internal audit department further strengthened.

Moreover, everything depends upon the basis on which grants are given to different local bodies There is much to be said in favour of adopting a uniform principle to govern distribution of grants, but in the present circumstances it seems to be an impossibility One principle that can be laid down in this regard is that grant should be given according to financial needs, not to mean for wiping out a recurring budget deficit but for particular needs And in cases where grants are given they should be given for special purposes e g education, capital outlay of certain improvements etc. The "proportionate" grant given according to expenditure incurred by the Municipality is an unsatisfactory method It will only accentuate the existing differences between the local bodies This method neglects the cardinal principle that local authorities which can not 'earn' larger grants because their contributions are small, have no capacity to help themselves and it is wrong to penalise them on this count

The 'block grant' for specific purposes has the advantages that it does not restrict the municipalities from spending the money as they like as against the 'unit grant' under which the municipality has to spend in the way laid down by the conditions of the grant After a certain standard has been attained the proportionate grant system can be gainfully employed

Moreover, the improper and defective method of distributing grants should be remedied immediately The grants are distributed on the basis of representations received from various local bodies and are decided according to the influence or wire-pulling of the representation. The principle of influence plays a dominant role and no consideration is shown to the merit of the case But this is not desirable at all This is, to be very sure, a very hopeless situation and calls for immediate rectification

For quite some time the local bodies will continue to need grants in-aid Even if new resources are tapped needs will be more than resources Grants-in-aid are not a perfect solution to the problem of improving financial resources of the local bodies The ultimate aim, of course, should be to make local bodies financially independent But the day when this will be so is far off As a matter of fact, the local bodies will have to be given help on a larger scale if they are to discharge their functions adequately and efficiently

Table No. 15 show the importance of grants-in aid and the deficiency of the Municipal financial resources. If to the figures of grants mentioned therein is added the amount of loans which the Municipality has been contracting simultaneously from year to year, the figures would become preposterous.

The following table shows the amount of grants-in-aid extended to the Jaipur Municipal Council.

Table No. 15

| Year | Amount of grants (in Rs.) | Percentage of Total Revenue | Percentage of Total Non-tax Revenue. |
|---|---|---|---|
| 1 | 2 | 3 | 4 |
| 1964-65 | 2,18,776 | 3.9 | 21.6 |
| 1965-66 | 5,53,722 | 10 0 | 44.7 |
| 1966-67 | 2,10,836 | 3.4 | 18.5 |
| 1967-68 | 3,42,274 | 4.3 | 24.6 |
| 1968-69 | 2,40,836 | 2.4 | 16.8 |

Thus if the Municipal institutions are to play their proper role every possible method that may step up their revenue has to be adopted and in the existing state of affairs grants-in-aid will have to come forth in larger amounts.

## RECOMMENDATIONS OF THE RURAL URBAN RELATIONSHIP COMMITTEE REGARDING GRANTS-IN-AID TO LOCAL BODIES.

One of the important recommendations of the Taxation Enquiry Commission which the above Committee has also endorsed is that the State Governments should adopt a '*Grants-in-aid Code*' for advancing grants to local bodies. The Committee feel that while exclusive allocation of some definite sources of income and sharing of others should meet the normal requirements of local bodies to the maximum extent possible, grants-in-aid will still have a very important role to play. The system of grants-in-aid has the advantage that the grants can be related to the needs and the resources of local bodies. For the smaller and financially weaker municipalities, grant-in-aid are of great importance in the initial stages to enable them to stand on their own legs. Moreover, grants-in-aid also serve as an instrument for the implementation of the State policies by encouraging the local bodies to undertake special programmes. Grants-in-aid, therefore, form an essential part of local finances.

Any system of general grants should take into consideration the means and the needs of local bodies. Since the larger local bodies have usually greater financial resources, the pattern of assistance should be in direct proportion to the needs and in inverse proportion to the means. In making grants, it must be ensured that local bodies are competent to exploit their own resources to the maximum and provide a satisfactory minimum

standard of services and amenities to the people. The grants-in-aid should thus be linked with standard of minimum services which must be maintained by each of the local bodies. To provide proper inducement to the local bodies to tap their own sources of revenue to the maximum, the principle of matching grants should be fully exploited . ...The quantum of aid given should neither be so meagre as to cause hardship to local bodies nor so lavish as make them lethargic and dependent.

As regards general purposes grants, it will be better if funds were made available for strengthening the administrative structure of the Municipalities which, in turn, will promote the mobilization of local tax resources. It is also desirable to provide funds to enable the Municipal authorities, particularly the weaker ones, to obtain the services of technical staff.[1]

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# CHAPTER V

## MUNICIPAL FINANCE

### Expenditure

The importance of expenditure in Municipal finance is unquestioned as it has great effect on the living standard of the people. Expenditure, if properly and purposefully incurred hasan enhancing impact on the living of the citizenry.

Expenditure in municipal bodies shows a remarkable upward rise in recent years. This has been supported by the Reserve Bank of Indias' Survey of the Local Authorities' Finances during the Second Plan period. The main features of the local finance have been the diminishing importance from 1958-59 of taxes and rates and emergence of loans, particularly loans from the government as an important source of receipts and the growth in expenditure on public works and public health of local authorities. Between 1955-56 and 1960-61 receipts of the local authorities covered by the Survey almost doubled but disbursements increased even more, by as much as one and a half times, the increase being pronounced in the last five years.....In consequence, the gap in receipts and expenditure has tended to widen[1].

The trends of expenditure can be seen from the study of Financial Administration of Jaipur Municipal Council conducted by V. D. Sharma[2]. The trend of municipal expenditure has been maintaining an upward rise is clear from the following table :—

**Table 1**

| Year | Total expenditure (in Rs. | Percentage rise over last year's expenditure |
|---|---|---|
| 1 | 2 | 3 |
| 1964-65 | 53,35,674 | — |
| 1965-66 | 53,51,140 | 0.29 |
| 1966-67 | 65,50,965 | 22.42 |
| 1967-68 | 81,62,896 | 24.60 |
| 1968-69 | 1,01,78,042 | 24.69 |

1. *Finances of Local Authorities—1960-61. Reserve Bank of India Bulletin, Nov. 1962, p. 1741.*
2. *V. D. Sharma Financial Administration Jaipur Municipal Council (1964-69): 1970 (M.A. unpublished dissertation).*

From the table it is clear that expenditure has been increasing year by year In 1968 69 the expenditure doubled itself against the corresponding figures of 1964 65 The last year's total municipal expenditure has shown an increase of over 20 lakhs from the preceding year's expenditure of Rs 81,62,896 Only the last year's expenditure has witnessed a rise of over 24% over the preceding year's expenditure i e , in 1967 68

The factors responsible for the sharp rise in expenditure of the *municipal council are mainly two, though inter related to each* other Firstly, the tremendous growth of population and vast increase in municipal area which the municipal council is obliged to attend to Secondly, the city has also experienced no short of 'population explosion' The population figures are really staggering; The city has doubled its population since 1951 The item-wise expenditure of the Council is given below

**1 General Administration**

This is the most important aspect of expenditure of the Council Expenditure on general administration includes the various offices and establishment charges of the Head Office Though it does not constitute a great percentage of the total expenditure, yet it is with the efficiency of the general administration on that the revenues of the Municipal Council can be increased and its obligations be efficiently discharged

The total expenditure on general administration for the past five years is shown in the following table —

**Table II**

| Year | Amount in rupees | Percentage of total expenditure |
|---|---|---|
| 1 | 2 | 3 |
| 1964 65 | 3,06,373 | 5 8 |
| 1965 66 | 3,20,832 | 6 0 |
| 1966 67 | 3,83,783 | 5 9 |
| 1967-68 | 2,83,485 | 3 5 |
| 1968 69 | 4,16,417 | 4 1 |

Though expenditure on general administration and establishment is essential, it would be in the fitness of things that the Council exercised a stricter control to enforce measures ensuring economy and preventing extravagance and waste It is always possible to cut down unnecessary waste of resources on items that could be more efficiently run without causing waste

**2 Expenditure on *Tax Collection***

This head includes expenditure incurred on the machinery for collecting various taxes levied by the Council Expenditure incurred

on octroi, house tax and other tax collections come under this heading.

The table below shows the amount spent on collecting taxes over the past five years :

**Table III**

| Year | Amount in rupees | Percentage of total expenditure |
|---|---|---|
| 1 | 2 | 3 |
| 1964-65 | 3,34,770 | 6.3 |
| 1965-66 | 3,59,313 | 6.7 |
| 1966-67 | 4,34,810 | 6.6 |
| 1967-68 | 4,94,382 | 6.1 |
| 1968-69 | 5,40,414 | 5.3 |

The expenditure incurred on this head has witnessed a slow rise. It was found that commensurate effectiveness and efficiency in tax collection has not been secured. In the absence of systematic planning and efficient personnel the incidence of evasion, corrupt practices and consequent loss of revenue will persist.

### 3. Public Safety

This head includes expenditure incurred on protection against outbreak of fire, removal of carcasses and destruction of wild animals to ensure public safety. In congested part of the city, houses are huddled together with the result that if there occurs any outbreak of fire, it can be very destructive unless combated promptly. The Council endeavours first, to prevent the outbreak of fires and second, to extinguish them promptly in case they break out. To reduce the possibilities of out-breaks of fire, the Council regulates storage of inflammables like petrol, kerosen oil, and fire works' materials. The Council also owns a large number of fire fighting engines.

The Council attends to the proper disposal and removal of carcasses also to counteract their unhygienic repercussions on the public health. Also it manages to catch the pigs when they make incursions in the public places and markets.

The Expenditure on this head can be seen in the table below :

**Table IV**

| Year | Amount in rupees | Percentage of total expenditure |
|---|---|---|
| 1 | 2 | 3 |
| 1964-65 | 91,772 | 1.7 |
| 1965-66 | 56,772 | 1.1 |
| 1966-67 | 1,11,187 | 1.7 |
| 1967-68 | 1,33,427 | 1.6 |
| 1968-69 | 1,70,352 | 1.7 |

From the table it is clear that expenditure on activities ensuring public safety has been gradually increasing Despite this increase, no marked improvement is discernible Fires often break out in increasing numbers every year destroying public wealth in plenty Pigs are conspicuous by their presence in every market of the City Carcasses are not removed unless they pollute the surrounding atmosphere.

**4. Construction and Development**

The Municipal Council is charged with the responsibility of paving of streets, slum clearance, laying sewerage pipes, developing colonies and the like functions

Expenditure incurred on this head is shown by the table below·

**Table V**

| Year | Amount in rupees | Percentage of total expenditure |
|---|---|---|
| 1 | 2 | 3 |
| 1964-65 | 1,69,431 | 3 2 |
| 1965-66 | 2,17,654 | 4 1 |
| 1966 67 | 2,74,756 | 4 2 |
| 1967-68 | 82,621 | 1 0 |
| 1968-69 | 61,690 | 0 6 |

The above data clearly show the declining expenditure on this item It is because of the fact that the Urban Improvement Trust has taken over the task to attend to development activities in the suburbs of the city and the Council is left with limited area to attend to and that too somewhat already developed with very little room for further construction and development

Despite the limited area which the Municipal Council has to look after, the overall condition of streets and roads continue to be in a deplorable state of neglect, slums continue to multiply, sewage schemes have not been implemented and residential areas have been permitted to sprout in contravention of civic regulations It was found that the Municipal Council has not taken adequate care to tackle the problems with deep concern and with concerted efforts political pressures, malpractices and extravagance have kept the whole of Jaipur deprived of the basic amenities of good and clean roads and lanes, neat and clean localities and land development of residential areas There is much left to be done by the council in this direction

**5 Public Repairs**

Municipal Council has been charged with the task of repairing roads, pavements and other public places in the city The figures given below show the amount spent on this head.

Table VI

| Year | Amount in rupees | Percentage of total expenditure |
|---|---|---|
| 1 | 2 | 3 |
| 1964-65 | 2,13,913 | 4.0 |
| 1965-66 | 2,23,789 | 4.2 |
| 1966-67 | 2,17,991 | 3.3 |
| 1967-68 | 2,99,853 | 3.7 |
| 1968-69 | 3,33,388 | 3.3 |

The figures show that there has been no consistent increase in expenditure on this item, although the amount spent has been substantial. That, however, does not really go to mean any change for the better with regard to the availability of civic amenities. The expenditure on public repairs has also been wasteful because the roads, lanes and streets are not in any way in commendable state.

## 6. Public Health and Sanitation

Public health is one of the most important and obligatory functions which the Council is obliged to attend to. The weaker sections of the society who unfortunately, abound in our society need the facilities of public health, as they are ignorant of basic hygienic principles and live in insanitary surroundings.

The table below shows that a substantial amount has been incurred on this head during the past five years. In fact public health claims the largest percentage of Municipal Expenditure which can be seen from the Table below :

Table VII

| Year | Amount in rupees | Percentage of expenditure |
|---|---|---|
| 1 | 2 | 3 |
| 1964-65 | 22,01,556 | 41.3 |
| 1965-66 | 25,23,846 | 47.2 |
| 1966-67 | 28,36,943 | 43.3 |
| 1967-68 | 35,58,559 | 43.6 |
| 1968-69 | 41,81,682 | 41.1 |

It is worth noting that the Jaipur Municipality does not financially contribute to the running of hospitals and dispensaries. It has no health centres. The public health department of the Council merely performs activities of sanitation, vaccination and prevention of infectious diseases. It was found that a substantial portion of the expenditure incurred was to meet enhanced salaries and allowances of personnel employed. In fact the expenditure

incurred is not justified because the city continues to suffer from the basic sanitary facilities and there is also absence of any steps to prevent the spread of diseases.

### 7. Light and Water

Proper lighting of all important public places is the responsibility of the council This arrangement, apart from adding to the attraction to the city, also protects the citizens from thieves and ruffians The Jaipur Municipal Council arranges for the lighting of all roads within the Council limits The Municipal Council also defrays the charges for water supplied by the public taps in the Municipal area The following table gives an idea of the expenditure incurred by the Council on this item :—

**Table VIII**

| Year | Amount in rupees | Percentage of total expenditure |
|---|---|---|
| 1 | 2 | 3 |
| 1964-65 | 4,22,609 | 7 9 |
| 1965-66 | 2,88,668 | 5 4 |
| 1966-67 | 5,47,702 | 8 4 |
| 1967-68 | 5,56,403 | 6 8 |
| 1968-69 | 3,96,534 | 3 9 |

### 8. Cattle and Dog Pounds

The Council maintains a few cattle Pounds Stray dogs become nuisance and it hardly needs any emphasis to hold that such dogs should at once be killed Such dogs as are suspected to spread infectious diseases are confined to certain Pounds. The figures below show the expenditure incurred on this head by the Council.

**Table IX**

| Year | Amount in rupees | Percentage of total expenditure |
|---|---|---|
| 1 | 2 | 3 |
| 1964-65 | 3,921 | 0 07 |
| 1965-66 | 7,825 | 0 15 |
| 1966-67 | 11,000 | 0 20 |
| 1967-68 | 8,642 | 0 17 |
| 1968-69 | 2,399 | 0 02 |

### 9. Festivals

The Council also celebrates certain festivals like Republic Day, Independence day, and other popular festivals. The following figures denote the amount of money incurred in celebrating such festive activities.

The expenditure on festivals is given in the table below:

Table X

| Year | Amount in rupees | Percentage of total expenditure |
|---|---|---|
| 1 | 2 | 3 |
| 1964-65 | 3,250 | 0.061 |
| 1965-66 | 2,055 | 0.038 |
| 1966-67 | 3,036 | 0.046 |
| 1967-68 | 2,404 | 0.029 |
| 1968-69 | 2,769 | 0.027 |

It is proper that the Council should not waste public money on observing ceremonials when it has consistently failed to fulfil its primary obligations of extending civic amenities.

**10. Education**

The responsibility to provide primary education has been taken over by the State Government since 1954-55. The Council at present runs only very few primary schools. The following figures show the amount incurred on this head during the past five years :

Table XI

| Year | Amount in rupees | Percentage of total expenditure |
|---|---|---|
| 1 | 2 | 3 |
| 1964-65 | 6,689 | 0.18 |
| 1965-66 | 9,753 | 0.18 |
| 1966-67 | 10,922 | 0.17 |
| 1967-68 | 13,036 | 0.16 |
| 1968-69 | 13,332 | 0.13 |

**11. New Purchases**

Under this head the expenditure is incurred on new purchases like additional number of wheel-barrows for the disposal of refuse, fire fighting engines and other new implements whenever required. The amount shown in the table below gives an idea of the expenditure incurred on this item.

Table XII

| Year | Amount in rupees | Percentage of total expenditure |
|---|---|---|
| 1 | 2 | 8 |
| 1964-65 | 77,597 | 1.5 |
| 1965-66 | 74,608 | 1.4 |
| 1966-67 | 1,85,247 | 2.8 |
| 1967-68 | — | — |
| 1968-69 | 48,116 | 0.5 |

**12 Debt**

The Council has to depend on loans for carrying out its duties Every year it disposes of the amount of debt so contracted The following figures point out the amount of debt cleared during the last five years —

**Table XIII**

| Year | Amount in rupees | Percentage of total expenditure |
|---|---|---|
| 1 | 2 | 3 |
| 1964-65 | 1,05,061 | 2 00 |
| 1965-66 | 1,00,061 | 0 18 |
| 1966-67 | 1,00,861 | 1 50 |
| 1967-68 | 26,213 | 0 32 |
| 1968 69 | 1,17,223 | 1 15 |

**13. Miscellaneous Expenditure**

This item includes expenditure on certain non-recurring heads like contributions for general purposes, holding fairs and exhibitions, etc. The municipality does not maintain parks, libraries and educational institutions of importance The expenditure under this head can be seen in the table below

**Table XIV**

| Year | Amount in rupees | Percentage of total expenditure |
|---|---|---|
| 1 | 2 | 3 |
| 1964 65 | 12,25,397 | 23 0 |
| 1965 66 | 11,40,171 | 21 3 |
| 1966 67 | 14,11,081 | 21 5 |
| 1967-68 | 47,774 | 0 6 |
| 1968 69 | 22,599 | 0 2 |

Although the study shows the upward rise in municipal expenditure, but still there exists a wide gap between the existing and desired level of municipal expenditure to achieve the minimum level of civic amenities

## MUNICIPAL FINANCIAL ADMINISTRATION

It can be summarised broadly into (a) formulation of budget, (b) approval of the budget by the council, (c) execution by the Council staff. (d) overall control by elected representatives (e) maintenance of proper accounts by municipal council, and (f) audit by the state government

The precise nature of the criteria of a good tax system, varies from government to government as it varies from country to country and time to time. The economic goals of a society largely determine the more specific criteria that define a 'good' or 'bad' tax structure. As the role of government changes, these goals also change and so the criteria.

It is important to note at the outset that due to some differences in constitutional position and in historical background, intergovernmental financial arrangements and special problems of Local Governments, their tax systems must be tailor-made in the manner which on some points may differ from those of the governments at the higher level. No such attempt has been made in our country which can be said to have a satisfactory list of such criteria for the government at the local level. Mrs. Hicks has pointed out that 'much less attention has been given to the consideration of the desirable properties of a good local tax than of a national tax'.[1] Again she says, 'it is of course desirable that a local tax should like any other, be convenient and economically fair between persons similarly situated and economical in collection'.[2] But the position of local finance in our country differs from that of central finance in several aspects and this affects the type of tax which is required.

As the problem of local finanace is extremely complicated a modern approach is needed instead of orthodox canons of taxation. What we should do is to first try to point out the needs of the existing society judged by the expectations of the people. It is the fundamental and primary aim among all canons to apply the canons of 'basic needs' and to match them with the present stage of development in the country which can provide and fulfil those needs.

The prime objectives of any tax administration are two: (i) to protect the revenue, and (ii) to protect the tax-payer. The protection of revenue denotes prevention and detection of evasion and collection of due amount of tax, according to law, with minimum delay and cost. The protection of the tax-payer denotes that there is no over assessment or harassment of honest tax-payer, and that there is equal and uniform treatment and that justice is quick.

In this context it becomes important to study the procedure of levy, assessment and collection of taxes at Municipal level.

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1. *Mrs. Hic*
2. *Ibid, p.*

Taxation is one of the most significant sources of revenue of the Municipal Bodies The Rajasthan Municipalities Act 1959 empowers the municipal bodies to impose a number of taxes [3] The Act classifies taxes into obligatory and others In obligatory taxes[4] the rates and manner of imposition are governed by the rules framed or approved by the state government These taxes are tax on the annual letting value of building and land, octroi on goods and tax on professions and vocations Other taxes can be levied, subject to general or specific orders of the government They include tax on vehicles, animals, toll, scavenging, sanitation, water light, trade etc The municipalities in Rajasthan do not show a uniform pattern of levying taxes, some are levying just one tax and others as many as twelve [5] It is surprising that for one reason or the other, municipalities do not want to impose even the obligatory taxes For instance, no tax is levied on professions and vocations and even the house tax is levied only by some municipalities

At present octroi tax and house tax are two major sources of revenue of the municipal bodies in the State About 82 7% of the total revenue of municipal bodies is derived from the octroi tax alone On the recommendation of the Rural urban Relationship Committee for abolition of octroi tax because of malpractices in its collection and because of the elaborate procedure involved in the process of refund making the octroi costly, the government of Rajasthan has recently taken the decision to levy a Turn Over Tax[6] instead of octroi As an alternative to the existing octroi tax, the Finance Minister proposed to levy a Turn Over Tax on the assessees of sales tax and its proceeds would be made over to the municipalities after deducting administrative expenses The basis of payment of the Turn Over Tax to the municipalities would be the amount equal to its actual net income from octroi in 1967 68, or the average net income during the last three years preceding 1st April 1968, whichever is higher The second important source of income of municipalities in Rajasthan is the property tax *i e* house tax and tax on land The administration of property tax, now a days has become very important and therefore, the administration of property tax will be discussed here

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3 *Rajasthan Municipalities Act, 1959, Section 104*

4 *Ibid , Section 105*

5 *C P Bhambhari & P S Verma Municipalities and their finance in Rajasthan, 1959, p 26*

6 *Budget speech of the Finance Minister Government of Rajasthan for the year 1969-70, Government Press Jaipur, p 26-27,*

**Administration of property tax.**

Taxes on lands and buildings have been placed under the State list in India.[7] Conventionally, its levy, collection and utilisation is transferred by the state government to the local bodies. In Rajasthan the property tax is an obligatory tax[8] imposed by the municipal bodies on the annual letting value of buildings and lands within the municipal limits. The tax is levied on the basis of actual gross annual rental value. The procedure for the imposition of the tax has been laid down in the municipalities Act.[9]

The property tax, which is one of the direct local tax, occupies an important position in the municipal revenue. It produces relatively large amounts of revenue and will continue to be a vital component of the municipal finance. The future of Municipal Finances depends on the full exploitation of the tax on lands and buildings.[10] In fact, in the states where octroi is not levied it is the most lucrative source of revenue to the municipal bodies. Its percentage contribution to the total tax revenue is as high as 82% in West Bengal, 78% in Assam, 77% in Bihar, 47% in Tamil Nadu, and 46% in Bombay. In Rajasthan, the property tax contributes 20 to 25 per cent to the revenue receipts of the municipalities, depending on the growth of the city. Therefore, needs to be administered efficiently in order to get the best possible results.

Administration of the property tax is a multi-phased programme as given below :

( i ) Valuation of properties
( ii ) Levy of taxes
(iii) Hearing of objections
(iv) Casual assessment
( v ) Collection

Under the first phase all taxable property in the city is checked and brought on the book by the Chief Executive Officer. The value of each property is then assessed according to the statutory provision. Such valuation needs to be done ordinarily once in every five years. In case the property is not let out, a certain percentage of its cost of construction and value of land after deductions

7. *The Constitution of India, Art, 246 (2), Seventh Schedule, List II, Item 49.*
8. *RMA, 1959, Section 104, and 105.*
9. *Ibid., Section 108.*
10. *Rural-urban Relationship Committee, 1966, Government of India, p. 95.*

for depreciation is taken into consideration for the purpose of assessment Generally charitable, philanthropic and religious buildings and institutions like schools, colleges and hospitals are exempted from this tax In Rajasthan, even the government buildings are exempted from this levy

The second phase involves decision by the Executive Committee, House Tax Committee and the Council with regard to rates of taxes on different valuation groups for the following year and the exemption of properties from full or partial property taxes The tax rates so determined are applied by the executive authority to the individual assessed valuations

In the third phase the objections against the valuation of properties and assessment of taxes are heard by the House Tax Committee and by the Executive Committee of the Council These Committees have also the power to make alterations or amendments in the assessment list Collections, the last phase include receiving, billing and accounting of the tax payments

The administration of property tax is in fact influenced by many forces The parties choose different strategies for their own ends The owner of the property is interested in under valuation The valuation officials of the municipal bodies may be tempted to become a party to undervaluation They are ill-paid, susceptible to corruption and frequently come under undue influence of the rich and the powerful The tax-payers, which include elected councillors, are interested either in minimum tax levy or not to levy it at all For instance in Rajasthan the House Tax has not been levied by most of the municipalities either because of the reluctance on the part of the municipal councillors or because of the strong opposition of the tax payers Recently under the municipal administrators, the imposition of House Tax was vehemently opposed by the Nagar Samiti in Jodhpur, Gram Committee in Bikaner and Zila Harijan Adhikari Raksha Samiti in Ganganagar If there happens to be a strong section of business community either in the House Tax Committee or in the Council, it makes an all out effort for lower tax rates Highest pressures are exercised during the period when objections are heard by the House Tax Committee The tax-payer makes clever bids at this stage to get his taxes reduced of course, his success depends upon the degree of his influence upon the committee members The members are also tax payers who go one step farther With the connivance of representatives and officials they evade payment of taxes even after they have been fixed and bills have been received The same political and other influences work in case of casual assessment also

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MUNICIPAL TAX ADMINISTRATION

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a problem to secure fearless, impartial and uniform asse: In 1925 Mr. S. W. Goode, Secretary, Local-self Gove Department, Government of West Bengal, expressed in his e before the Indian Taxation Enquiry Committee 'No reform administration is more urgently necessary than to secur less, impartial and uniform assessment.'[11] Mr. G.T. Boag, C ssioner, Madras Corporation in his evidence before the sam mittee said, 'In my experience I have found that independe officers responsible for assessment from any control on the the electorate is absolutely essential'.[12]

The yield from the property taxes can easily be dou suitable machinery for assessment and collection of the p taxes is provided.[13] The Taxation Enquiry Commission, the Finance Enquiry Committee and the Committee on Augme of Financial Resources of urban local bodies have all stres need for an impartial and independent machinery to secu assessment. In U. K. the function of valuation of prope purposes of assessment is performed by a central agency, *i.* Rating and Valuation Department of the Board of Inland Re It is admitted that centralised assessment introduces unifor performance standards in terms of fair and impartial asse because professional and well trained staff is recruited purpose. It would work under central direction and follow ard methods and procedures uniformally throughout the st

In Rajasthan there is a proposal to set up a central va agency under the Directorate of Local Bodies. Altho th sion for the establishment of central valuation age been taken, in some of the municipal councils a been appointed by the government for the asse on an experimental basis.

The annual reports of the municipal bodi ufficient light on the strategies adopted by the

l political parties jumped into the fray As a result of st ong osition, the house tax has not been imposed till today

(ii) In Bikaner, the house tax was first levied in 1960 During term of the administrator (1961-64), some serious efforts were de to expedite assessment, valuation and realisation, but when cted representatives returned in January 1964, owing to political sons, a period of reluctant mobility came back In May 1964, elected council passed resolutions to make a refund of the use tax realised earlier The Council did not show house tax as item in the budget proforma, though the state government raised jections on that score For the next financial year, the elected uncil abolished the house tax But the state government took a m attitude and advised the municipal council to the contrary as e house tax was deemed obligatory, and also vital for the finanal viability of the municipality The municipality however icceeded in getting a legal stay order in its favour in April 966, which was subsequently revised in August 1966, on the gover ment's appeal Again in January 1967, the administrator took ver the charge of the municipality Three Inspectors were ppointed and the matter of house-tax realisation was taken up eriously Consequently, a sum of rupees one lakh was realised vithin less than a year

(iii) It would not be out of place to point out here that Kota Municipality could not impose the house tax because of the Jan Sangh's hold Similarly, as stated earlier, the Nagar Samiti in Jodhpur, the Grain Committee in Bikaner and the Harijan Raksha Samiti in Ganganagar have vehemently opposed the levy of house tax and the tax could not be imposed in these municipalities

The Jaipur Municipal Council decided to levy the house tax in 1952 and its actual recovery was started in 1953–54 From 1953 to 1960, the rate of tax was only 5% on the annual rental value, which, from April 1960, was increased to 6¼% Similarly prior to March 1961, the exemption limit of rental value of a house was Rs 300 it was lowered to Rs 120 in 1960 61 and again increased to Rs 180 in December 1961 There are three Revenue Officers in the house tax department Two are responsible for the management of the office and the other called the 'revising authority', deals with objections against assessment and allows remissions The derpartment has three assessors and a number of inspectors to perform the functions of assessment and realisation of tax Door to door collection is also made through the official machinery of the department

The following table shows the income of Jaipur Municipal Council from the house tax since 1964 65 —

Table 1

| Year | Property tax | Total tax revenue | Percentage of property tax to total tax revenue |
|---|---|---|---|
| 1964–65 | 7,74,136 | 34,10,817 | 22.7 |
| 1965–66 | 7,14,928 | 31,72,178 | 22.5 |
| 1966–67 | 6,94,842 | 36,27,421 | 19.2 |
| 1967–68 | 10,67,543 | 37,99,119 | 28.2 |
| 1968–69 | 11,27,211 | 52,95,971 | 21.3 |

With the rapid growth and expansion of localities, construction of houses has also gone up in Jaipur. Consequently, there is an ever increasing possibility that income from house-tax might be augmented much more than the existing collections. That, however, presupposes qualified, competent and honest tax assessing machinery so as to counteract dangers of under assessment, done under mounting pressures, pulls and unfair means.

Another problem connected with house tax is that of arrears which will be clear from the table below concerning the Jaipur Municipal Council :

Table 2

| Year | Tax arrears (amount in Rs.) |
|---|---|
| 1964–65 | 12,85,186 |
| 1965–66 | 14,70,158 |
| 1966–67 | 16,75,316 |
| 1967–68 | 18,10,302 |
| 1968–69 | 16,53,104 |

On close scrutiny, it was found, that there are several factors which have made the issue of recovery of house tax a complex one :

i. Foremost among them is that the people are unwilling to pay;

ii. In the absence of qualified personnel and efficient procedure, the municipal council is unable to collect this tax properly;

iii. The method of door-to door collection results in loss to municipal finances; and

iv. The government departments are also not cooperative in making payments.

It appears that even in Jaipur this source of municipal revenue ot fully utilised partly because the existing system of valuation

nd assessment is unsatisfactory and partly because of an inefficient ollection machinery. The council suffers from chronic inefficiency n matters of tax collections inspite of sufficient powers having been iven in this regard to the municipal council. Under-valuation, eglect in recovery of taxes with the connivance of municipal offi-ials and pressure by interest groups for not using coercive powers s a major challenge faced by the urban local bodies in the country.[14]

Thus the collection of tax now-a-days requires an army of trained and competent persons. Unless a good salary is paid, it is difficult to attract the right type of persons for the job The duties of a tax officer in recent times have increased so much that it is with great difficulty that he is able to discharge his duties in the face of several limiting factors. There is no machinery by which difficulties in respect of assessments could be resolved at a high level This ultimately contributes to a protective assessment by the officer to err on the safe side and to a proliferation of appeals Time has come when a serious thought should be given to the question as to whether the technical aspects of the administration of property taxes be allowed to remain in the hands of elected representatives who are not trained in the particular skill and at the same time depend on the suffrage of persons whom they assess, or should they be withdrawn from them and left only with the professionals. Efficient administration of the taxes depends on the immunity of the assessing authority from political pressures, pecuniary and other considerations The organisation needs to provide a proper structure, employ competent personnel and lay down good administrative procedures to ensure efficient working. Last but not least, co-operation of the tax payer is of the utmost importance

## AUGMENTATION OF RESOURCES

Finance is the crux of all matters, not the least administrative "In theory, the local authorities in India have very wide powers and can exercise many functions but in practice, their capacity to contribute to or develope the well-being of the people is strictly limited owing to the want of funds "[1] The dearth of resources which is a chronic problem in our country is a phenomenon not peculiar to India alone In the countries abroad also there is a persistent complaint of the inadequacy of financial resources at the

*14. The Rural-urban Relationship Committee has observed "The municipal bodies have woefully neglected the work of recovery of taxes Arrears continue to accumulate until they become irrecoverable and have to be written off. The heavy arrears of taxes and dues in the large number of local bodies are mainly due to lack of proper and adequate collecting and supervisory staff and the unwillingness of the collecting agency to take prompt and timely action (op cit, p 99)*

*1 Gyan Chand Local Finance in India, p 220*

disposal of Local Bodies but, "There is all the difference in the world between inadequacy as it exists in this country and inadequacy as it exists in the Western countries. In the latter when they talk of inadequacy of financial resources, they mean inadequacy in respect of public conveniences and luxuries. In our country, however, when we talk of inadequacy of financial resources, we mean inadequacy in regard to the barest necessaries of corporate life such as roads, water supply, sanitation and medical relief."[2] This problem deserves all the more consideration in our country which has very recently got rid of the exploitation by the foreign rulers and in which poverty, squalor, disease and dirt stalk the land. Also the case for adequate resources at the disposal of these institutions receives added importance in the context of economic planning which we have launched upon for "the most effective and balanced utilization of the country's resources and to open out opportunities to our people for a richer and more varied life."

If we, therefore, want that these institutions should indeed become the real cradles of democracy, and effective instruments of economic development "it is essential that there is secured a synchronization between municipal obligations and resources for meeting them successfully. Shortage of resources cause local bodies to look to the State Government for assistance which is detrimental to the autonomy and indeed the very existance of the local bodies. To remain truly autonomous, the Municipal institutions must have enough resources to stand on their legs. As Professor W A. Robson observes, "Can any one seriously doubt that as the Treasury comes to provide more and more for the local councils, the White-Hall will speak more often and with greater insistance."[3] Hence the need for augmenting local resources.

Studies conducted under the direction of Rural Urban Relationship Committee in seven medium sized towns with population ranging from 90,000 to 2,00,000 reveal that inspite of the doubling of their income between the years 1952-53 and 1962-63, the standard of civic amenities and services supplied by them have deteriorated. This conclusion is supported by the findings of the Reserve Bank Survey:—

"Between 1955-56 and 1960-61 receipt of local authorities covered by the survey almost doubled, but disbursements even more by as much as one and a half times; the increase being pronounced in the last two years. In consequence the gap in resources and expenditure has laterly tended to widen. [4]

Some indication about the pressure on the finances of the local authorities is also available from the debts outstanding

2. *Local Finance Enquiry Commission Report, para 3.*
3. *W. A. Robson, Local Self-Gorvernment in Crisis, p. 53.*
4. *Reserve Bank of India Bulletin, November 1962.*

against the urban local authorities covered by the aforesaid Reserve Bank Survey which increased from Rs. 93.9 crores in 1951-52 to Rs. 232 1 crores in 1961-62.

Another authoritative survey based on the figures for the year 1960 61 reveals that the gap between the resources of urban local bodies and their requirements for maintaining minimum standards of services is of the order of Rs. 91.08 crores.[5]

These figures aim at showing explicitly the present stage of financial resources with the urban local bodies in general, all over the country.

Without giving specific financial resources to these institutions, mere talking of democratic decentralization, enlarging the functions of these institutions and bestowing increasing authority on them amounts to the mere dressing of a dead woman who is devoid of the spirit. The real driving force is missing and local autonomy on a starvation diet will be functionally self-defeating and there are on the whole greater chances of preserving local autonomy, if a proper balancing of functions and finances is achieved all round

Most of the factors responsible for this of repeated financial stringency are the following—

( i ) The general poverty of the people and their low taxable capacity.

( ii ) Reluctance of municipal councils to impose local taxes specially direct taxes for fear of incurring popular odium.

( iii ) The defective system of grants-in-aid

( iv ) Failure to collect taxes resulting in mounting arrears.

( v ) Lack of supervision and inefficient administration resulting in tax evasion.

( vi ) Laxity and inefficiency in fiscal management

( vii ) External audit as well as control over expenditure is very weak

(viii) Lack of effective budgetary control.

( ix ) The sources of non-tax revenue are not fully tapped

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5 *Report of the Committee of Ministers for the augmentation of Financial Resources of Urban Local Bodies, Government of India, 1965, p 35.*

The problem of resources is the most essential one and also most difficult one. This requires an all round attempt for its solution, involving all matters of human relations to commercial management.

Much can be achieved by stiffening up the administrative machinery so as to ensure efficiency and integrity. A strict control over municipalities and over local bodies must be exercised to ensure that there is no under assessment, omission of assessment, accumulation of arrears or any negligence in extracting the utmost from existing resources. Not only the income side must be subjected to strict control, but the expenditure side must also be strictly supervised in order to curb extravagance drastically. Thus the first measure to be taken to improve the resources of local bodies must be to bring about efficiency and integration in administration and prudence and economy in expenditure.

Besides, there are other methods also which can go a long way in improving the resources of the local bodies. These can be discussed under the following heads:—

### 1. Maximum Utilization of Existing Resources

Local authorities should be obliged to utilize their existing taxation powers fully. In this context what the Local Finance Enquiry Committee observed deserves special mentioning:

"Local bodies which do not utilise their existing powers of taxation can have no claim on the financial resources of the State. Where a local body is unwilling to impose tax at an adequate rate the State Governments should, have the right, in the first instance, to give friendly advice and if the local bodies fail to carry it out, the State Government should in the last resort, have the power to impose or raise the taxes themselves".

In the present tax structure the following reforms may be indicated:—

#### (a) Property Tax

The property tax is the largest and most remunerative source of tax revenue for local authorities in several countries such as the U. K., the U. S. A., Canada and Australia etc. In India also the property tax remains as one of the largest sources of tax revenue for urban local bodies in certain States. But in Rajasthan this tax has so far been avoided under one pretext or another. The levy of the tax should be made compulsory in respect of all local bodies. The rate of the tax should also be pitched at an adequately high rate. The Local Finance Enquiry Committee (1950), the Taxation Enquiry Commission (1953) and the Committee on the Augmentation of Financial Resources, have all endorsed the idea of levying

property tax. A state-wide evaluation department should be created for evaluating properties within the Municipal limit

**(b) Betterment Tax**

The Municipal Councils should also levy a tax on increment in urban land value caused by the heavy expenditure during the development planning and town improving schemes It has great "unrealized possibilities".

Octroi and House Tax, two major resources of revenue which rightly constitute the financial backbone of the Municipal finances are either neglected or mal-administered with the result that the optimum output is not coming forth Municipalities constantly whimper against the insufficiency of financial resources and yet tax on trades and vocations are not levied The tax on profession is a kind of local income tax and is levied on trade, professions and callings. The incidence of property tax falls main y on properties of professional and business class The Taxation Enquiry Commission had also laid emphasis on its imposition. It should be assessed on progressive scale rising according to taxpayer's income or economic position In view of the plight, it should be introduced as early as possible. Prof (Mrs) U. Hicks gives an apt comment, "Finance is the crux of Indian Local Government at all levels, the problem that is most in need of attention is tax administration, at the lower levels there is urgent need of resources of revenue also Perhaps the weakest aspect of all is the poor use at pressent being made of the tax on land and building "[6]

**2. Sharing of State Taxes**

At present the Municipal Councils obtain a shar of the State taxes like motor tax and entertainment tax to augment the resources at the disposal of the Councils The present arrangement is not enough At least 25% of the State Government's proceeds from these taxes should be earmarked for Municipalities. The sharing of these taxes is in fact a re-imbursement of local municipal revenue foregone. As this is supported by the experience gained and also as the Bombay Local Self Government Enquiry Committee held, "The fiscal fields of the State Government and of the Local Authorities are not clearly demarcated and the former have been exploiting potential sources of revenue which should rightly belong to the local bodies This tendency which, of late, has become pronounced has got to be immediately arrested to prevent local authorities from starving for want of funds.

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*6. U Hicks-Development From Below-p 159.*

It is also suggested that at the State level there should be established a consolidated Municipal Fund fed by the shared State taxes and distributed to Municipal bodies according to formula based on population, financial capacity and other relevant factors.

### 3. Government Grants

The State, in this context, does not have a grants-in-aid code embodying simple and defined principles. Grants are not administered in a systematic and scientific manner. Nor are they corelated to the needs and resources of local bodies. The need is to systematise, streamline, and rationalize grants-in-aid. Local Finance Enquiry Committee recommended in this regard that the State Government should use the system of grant-in-aid to:

(i) Achieve clearly defined objectives of policy and administration;

(ii) See that local bodies do not fail to develop their own resources, thus to stimulate self-help and

(iii) Secure equalization of opportunities and resources.

A danger inherent in the system of grant-in-aid is the undue expansion of State authority. This danger has to be warded off to ensure that there is no serious sacrifice of local autonomy and initiative, "for" as Herman Finer remarks, "When the Central authority pays the piper, it quite properly demands not only to inspect the score and the pipe, but even to write the score, guide the fingers and see that the piper takes proper exercises for the presentation of his wind."[7] The system of grants-in-aid should be used primarily as a means of financial adjustments between State and Municipal institutions both being partners in the common cause, yet State supervision of grants is essential specially of specific grants to prevent careless spending.

### 4. Non-Tax Revenue

Tax revenue forms the mainstay of the Municipal Bodies. The non-tax revenue resources not being fully developed, brings forth somewhat less returns *viz.* in the form of licence fee and other fees and fines etc To augment financial resources of local bodies, it is essential that these bodies should develop and expand these non-tax sources of revenue, not only by utilizing to the maximum extent, such orthodox items *e. g.* licence fees, market charges etc. but also by undertaking public utility services such as running of local transport services, distribution of electricity, gas and other revenue yielding sound commercial undertakings.

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7. *Finer H.—English Local Government, p. 430.*

Last but not least, tax ethics are very low Tax evasion thrives because tax administration is lax, taxes are not supported by public opinion "Many tax payers believe that the best tax is one paid by someone else and that the cost of Government are not an obligation upon them, even though they benefit from public services and have come substantia ly above the subsistance level "[8]

The root cause of a great deal of weakness is however simply lack of resources This on the one hand, stifles initiative, while on the other hand introduces habits of dependence on provincial deficiency grants which undermines responsibility In a sense, financial weakness is very largely the reflection of indifference and lack of civic consciousness In urban areas, imple tax powers are available but taxes are often arbitrarily assessed by members of the Council themselves and very indifferently collected Indian Local Government is not short of opportunities for raising autonomous revenue What appears to be wrong is a general lack of responsibility, unwillingness to raise tax rates, graft and inefficiency in collection "[9] So the real problem is not much of augmenting resources as is to administer the existing tax efficiency to ensure maximum returns

The inadequacy of the financial resources available to municipal bodies has been pointed out by almost every commission and committee which enquired into the functioning of Municipal Government Among them the more important during the post Independence period are the Local Finance Enquiry Committee (1950) and the Taxation Enquiry Commission (1953-55) Their recommendations were examined in the light of subsequent developments by the (Rafiq Zacharia) Committee on the Augmentation of financial Resources of urban Local Bodies (1963) The subject was also considered by the Rural Urban Relationship Committee (1966)

Below are given the brief summary of the main recommendations of the last two committees on the subject —

**Rafiq Zacharia Committee (1963)**

1 The property tax should be administered under all conditions which would give best possible results To utilize this tax properly, the following measures are recommended —

(a) A Central Valuation Department should be set up in each State to get the work of assessment of properties in different Municipalities done and also taken up systematically at regular intervals re-assessment of urban properties

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*8 Bulher A G, Public Finance, p 82*

*9 U Hicks, Development from below, p 57*

(b) A standard percentage of collections should be prescribed and any Municipality which fails to achieve this percentage without adequate reasons, should be disqualified from receiving any Government grants or loans.

(c) If the collection percentage in a particular local body falls below the prescribed percentage, the State Government should direct severe disciplinary action against the Chief Executive Officer and the collection staff. Action may also be taken against the President of the Municipality and even inspite of this, if there is a continued neglect, this should be considered as sufficient ground for supersession of the Municipality.

(d) A statutory minimum and maximum should be fixed for property tax. A provision should also be made in the Municipal Act to enable the State Government to impose property tax at any rate considered reasonable by the State Government if the Municipality fails to impose tax at that rate.

(e) The State Government properties and Central Government properties should be subjected to property tax and service tax in the same manner as any private property.

(f) The practice prevailing in England in respect of assessment of machinery and plant, should be adopted by our local bodies so that industries are made to contribute adequately to the cost of services provided by urban local bodies.

2. Octroi in its present form should be gradually replaced either by a turn-over tax or by a surcharge on sales tax or some other method which may cover the same share of taxation but would be free from the evils of the octroi system.

3. The levy of profession tax should be made obligatory.

4. Licensing system should be made more efficient and comprehensive.

5. Urban local bodies should be encouraged to take up remunerative activities which would create permanent assets yielding perennial non-tax income. As far as possible these remunerative activities should be financed out of a revenue fund.

6. To tax "floating" population who come to metropolitan cities and important centres of trade and industry from a distance of within 150 miles, a tax which should be in the nature of a small surcharge on railway fares and bus fares should be levied. The entire proceeds from this tax should be made over to the urban local bodies.

7. For mopping up un-earned increments in land values an urban land tax should be levied on the market value of urban land irrespective of the value of buildings. The proceeds of these taxes should be made over to the urban local bodies.

8 Where a State is already levying tax on the consumption of electricity, a surcharge should be added to the existing duty and the proceeds of this surcharge should be made available to the urban local bodies Where no such duty is in force, the urban local bodies, by suitable amendment of Municipal enactments should be authorized to impose tax on the consumption of electricity at rate not exceeding 10% of the existing electricity rates

**5 The Rural Urban Relationship Committee**

The Committee which examined the finances of the urban local bodies and suggested reforms, has generally treated almost the same path in its recommendations as done by other commissions and committees in the post-independence era Some of the novel features of its recommendations are as below —

The committee are definitely of the opinion that if the autonomy of local bodies has any import of significance, the local bodies must be able to raise enough funds to meet their requirements and not to look to the State Government for aid There should be a two fold effort, firstly the State Government must provide adequate sources of revenues to local bodies through allocation and sharing of taxes and secondly the local bodies should on their part effectively exploit the allocated resources and raise optium non tax revenues Thereafter the gap which remains between the revenue and expenditure of a local body should be met by a well defined system of grants-in aid for general and specific purpose It has recommended that

(i) the urban bodies should be allocated specific taxes exclusively and the State Government should avoid encroaching upon Municipal Jurisdiction, so demarcated

(ii) that well before the appointment of the Finance Commission by the President the Governor of each State should appoint a body to be known as the Municipal Finance Commission to examine the financial requirements of local bodies for meetting their financial obligations for water supply, sanitation health and other obligatory services and expenditure on schemes of planning and development forming part of the State Five Year Plans but meant to be executed by the local bodies The Commission should make an assessment of prospective revenue which the local bodies should be expected to realise from the resources allocated to them and lay down the scale of haring of certain taxes divisible between the State Government and the local bodies After adding the revenues which the local bodies can realize from non tax resources the balance may be covered by grants in aid to the local bodies out of the consolidated funds of the State The scheme would not only act as financial

insurance for local bodies and protect them against arbitrary incursions of the State Government but would also act as a stimulus for the local bodies to make best use of the taxes allocated to them.

( iii ) The Municipal Finances suffer from the inhibitions of private budgeting, instead of following the principles of public finance which are regulated by expenditure policies and programmes. There is a case for growing need of expenditure planning.

( iv ) The procedure for the imposition and enhancement of taxes is cumbersome, inflexible and dilatory. The Committee recommended that the procedure for imposition of and alteration of taxes be simplified.

( v ) One of the important recommendations of the Taxation Enquiry Commission and endorsed by the Rural Urban Relationship Committee is that there should be a grants-in-aid code to be adopted by the State Government for local bodies.

To sum up there is an urgent need for raising the resources of the Municipal institutions. The State Government does not seem to have made any serious heart searching in this direction. One way out that it has, of late, found out is to reduce the Municipal functions and taking them over to itself so that the Municipal institutions might have some financial relief. But this cannot be said to be a wise policy. Whatever the reasons, the reduction of Municipal functions should not be made on the ground of dearth of Municipal funds. The Salvation lies only in raising their resources to help them discharge their functions efficiently and to become real "nurseries of democracy."

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# CHAPTER VI

# MUNICIPAL PERSONNEL

The efficiency of Municipal Administration depends on the kind of personnel recruited to the various branches of work to be carried on, their pay scales and other conditions of service. The prospects for promotion open to them, the machinery for exerci- [illegible] nefits [illegible] r. In [illegible] in the days of the Princely rule and much improvement wasnot effected even after the integration of Rajasthan. Moreover administration of Municipal affairs requires the services of personnel of various categories and diverse professional and technical know how. That becomes all the more important in the context of the wide range of obligations a municipality is entrusted with. How well they are performed depends by and large on the calibre of the personnel[1]

One of the main weaknesses of Munic pal Government in India has been the absence of a well organised and effective system of personnel administration. Under the strain of rapid urbanisation, there has been a growing imbalance between the people's aspirations and their civic needs and the actual performance of municipal administration The municipal services today are hardly competent even to perform normal functions of municipal government. To meet the challenge of development tasks, they would need to acquire much higher degree of administrative and technical skills. No organisation can produce better results unless competent personnel is attracted to it and retained.

The essential ingredients of an effective municipal service, as indeed of any other service, are integrity, competence, impartiality, contentment and devotion to duty. All these can best be secured by establishing a permanent corps of officials, recruited on merit and having security of tenure and opportunity for advancement through well-graded and adequate scales of pay and a fair system of promotion.

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1. *Government of Rajasthan–Report of the Administrative Reforms Committee, 1962, p. 174.*

The U.N.O. report[2] on "Local Government Personnel Systems" (1968) stressed the need of professionalizing the public service at the local level if local authorities are to fulfil their expected tasks of development. The idealistic features of a sound local government personnel system are stressed prominently, projecting the point that a sound local personnel system is vital to the development functions of local authorities. These features are :

(a) To interest qualified persons, positions in local government must be comparable to those in the national government or private sector in terms of pay, working conditions, status and prestige, prospects, and security. The report recommends that the value of each factor must be judged in the local context.

(b) Recruitment of personnel for local posts should be country-wide in scope. Recruitment of local residence should not be an impediment for positions requiring technical or professional preparations.

(c) Selection should be through the merit system; competitive or qualifying examinations given and a pool of technicians determined avoiding hasty recruitment when vacancies occur.

(d) There should be a career service administered through a merit system that assure personnel development and security of tenure fostering efficiency in the service.

(e) There should be an open career system allowing freedom of personnel movement either-horizontally or vertically in given administrative situations.

(f) Training should be used as a medium to develop personnel capabilities for-effective service.

These features can only be achieved when the State Governments take the responsibility for the organisation of Municipal Service. In many foreign countries the local bodies have the unfettered right to appoint and remove their employees. This right is often regarded as a symbol of their autonomy. Conditions in our country, however, are different and autonomy in the matter of appointment and removal of municipal employees has seriously undermined municipal administration. If the local bodies are to ensure a steady flow of qualified and competent personnel for their technical and administratrative posts, they obviously cannot have any more freedom of choice in the selection and appointment of personnel than what is available to departments of the union and the state governments. The local Government services must be organised into proper cadres, enjoy esteem and prestige in the eyes of the community, and successfully

2 *Local Government Personnel System, United Nations, New York, 1968, P. 5.*

compete with other public services–State and Central– n attracting suitable candidates

The formation of state-wide cadres for certain categories of officers is the only solution [3] State cadres for municipal officers have been strongly advocated by administrators and political leaders The first and the second conferences of the Local Self-Govern ment Ministers held in 1948 and 1954 strongly recommended the creation of state cadres The Central Council of Local-Sel - Government also supported the proposal in 1956, 1959 and 1960 The Council as well as the Fourth Conference of Ministers of Town and Country Planning held in 1963 adopted the following resolution·

"The conference having considered the need for improving the efficiency and standard of municipal services reiterate its recommendation to all the State Governments to provincialise administrative, health, engineering and town planning services of the municipalities in the interest of better and more efficient administration"

The Rural urban Relationship Committee (1966) recommended the following categories of posts to be covered by state cadres[4]

(a) Administrative Service Municipal Commissioners Deputy and Assistant Municipal Commissioners Executive Officers or Chief Officers, Secretaries, Revenue Officers and Accounts Officers

(b) Engineering Service Municipal Public Health and Water Works Engineers and Town Planners

(c) Medical and Health Service Health Officers and Medical Officers

(d) Education Service Education Officer, Superintendent of Eudcation and Heads of Higher Secondary Schools and Colleges

The municipal services can be organised either through a system of unified service cadres or by an integrated system In the unified system, officers would be recruited exclusively for being posted to municipal bodies and be transferable only between the various municipal authorities in the State In the integrated

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3 *Government of India–Report of the Rural–urban Relationship Committee, 2966, p 75*

4 *Ibid p 76*

services cadre, the officers would be recruited for the combined requirements of the State Government and Municipal Bodies and have the same terms and conditions of service irrespective of their posting in the department of the State Government or in a municipality. The posting of the members of this cadre would be interchangeable between the State Government and Municipal Bodies. In both systems, the control of the services would vest with the State Government. The Rural-urban Relationship Committee are of the opinion to have a State-integrated cadre for the technical services and a unified service cadre for the non-technical services.[5] the services which are administrative in character).

The Committee appointed by the Government of India on the service conditions of the Municipal employees has recommended that :

"While in the initial stages the State Governments may take recourse to unified or integrated cadres for various categories of services in the light of the circumstances prevailing in each state, the ultimate objective should be to integrate municipal services in order to ensure that personnel available for municipal employment would have the desired competence and prestige enjoying appropriate conditions of service".[6]

The principle underlying such cadres has been accepted by and large by most of the State Governments and there appears to be a growing awareness in the States of the need for having State Municipal Services. Recent Legislation in Rajasthan, Madhya Pradesh, Mysore, Punjab, Maharashtra and Uttar Pradesh has provided for creating state cadres. In Rajasthan, not only the Superior services, but also the Subordinate Services including the class IV services have by rules been created into State cadres.

**The Position in Rajasthan :**

In the erstwhile princely states of Rajasthan, there was no systematic or uniform basis of classification of the personnel in municipal service, nor was there any clarity regarding the duties and functions. As the erstwhile municipalities were permitted to function only in a restricted manner, no necessity was felt for technical staff and the personnel system remained a complex of officials who were only amateurs. No special qualifications or training was thought necessary for appointment to municipal service. The classification and regularisation of municipal services were affected only after 1920, when various municipal acts came into force. But there was no uniformity of personnel system even in the various municipalities of the same state.

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5. *Government of India—Report of the Rural–urban Relationship Committee. 1966, p. 77.*
6. *Quoted: R. N. Chopra. Municipal Personnel Administration, I.J.P. Vol XIV, July-September, 1966, P. 123.*

It was only after independence that the first step towards rationalisation of municipal personnel administration was taken For the first time, the first Local Self-Government Minister s Conference of 1948, recommended the establishment of state cadres for Local Self Government personnel and systematisation of the services[7] With this consideration in mind the Rajasthan Town Municipalities Act of 1951 was passed This act empowered the municipalities to determine the quantum of officers and other employees to be employed by them and their service conditions with respect to designation, duties, salaries and other allowances[8]

To facilitate the process, the Director of Local Bodies classified municipalities into seven categories on the basis of their actual income, taken on an average of three years The personnel which each class of municipality could have were specified in these rules and their service conditions were detailed[9] Another significant step was taken in this direction under the Act of 1959 which specified the creation of the Rajasthan Municipal Service (R M S)[10]

The Municipal Personnel in Rajasthan can broadly be divided into two categories

(i) The staff belonging to Rajasthan Municipal Service (R M S), and

(ii) The staff belonging to the Rajasthan Municipal Subordinate Service and Ministerial Service

The strength, provident fund pension, gratuity and other conditions of service of the personnel of each category are determined by the State Government Accordingly service rules have been framed[11] This brought about uniformity of service rules and conditions of service

**The Rajasthan Municipal Service**

Broadly spaking, the Rajasthan Municipal Service has been divided into two wings administrative and technical The administrative wing consists of commissioners and secretaries of class I municipalities, executive officers of class II to V municipalities

The technical wing consists of Engineers and Health Officers of I and II class municipalities Revenue Officers of I II and III class municipalities and Accounts Officers of class I municipalities

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7 *Proceedings of the first Local Self Government Minister s Conference, New Delhi 1948*
8 *Rajasthan Town Municipalities Act 1951 Sections 205 & 44 B*
9 *Ibid , 1951 Section 211-212*
10 *R M A , 1959 Section 302*
11 *RMS & RMSS Rules, 1963*

**Recruitment :**

Vacancies in the Rajasthan Municipal Service can be filled by direct recruitment in the lowest grade of each category and in the second grade in respect of the executive officers by promotion from lower to the next higher grade in the same category and transfers of persons holding corresponding posts under government.[12]

The Director of local bodies determines the number of vacancies in each category. The direct recruitment in the service is made through the Rajasthan Public Service Commission. In case of recruitment by promotion to the Rajasthan Municipal Service, a selection strictly on the basis of seniority-cum-merit is made from among the eligible members of the service with due consideration to their professional and technical qualifications and previous record[13].

The promotion is made by a Committee consisting of the Secretary to the Government in Administrative Department as its Chairman, the Representative of Appointments Department not below the rank of Deputy Secretary and the Director of Local Bodies as members.

Appointments to the posts of Municipal Commissioners, Revenue Officers of Municipal Councils and Health Officers, Engineers and Executive Officers of class II municipalities are made by the Government (Appointment Department), while appointments to all other posts in the Rajasthan Municipal Service are made by the Director of Local Bodies[14]. The Government (Director of Local Bodies) is empowered in case of emergency to make appointments on a temporary basis for a period not exceeding six months[15].

**Rajasthan Municipal Subordinate & Minsterial Service :**

The strength of the service is fixed by the Board with the prior approval of the Government from time to time[16]. The subordinate service can also be divided into two wings : the technical wing and the ministerial wing. The technical wing is again sub-divided into five categories. Each category consists of various grades of functionaries. The categories are : ( a ) Revenue

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12. *RMSSR, 1963.*
13. *Ibid., 1963, Part V.*
14. *Ibid., 1963, Part VI, Rule No. 26.*
15. *Ibid., Part VI, Rule No. 27.*
16. *RMSSR, 1963, Part II, Rule No. 5.*

Service consisting of Assessors, Tax, Revenue and Octroi Inspectors, Nakedars/Moharirs, Sub-Nakedars (b) Health Service consisting of Sanitary/Food Inspectors, Assistant Sanitary Inspectors, Vaccinators, Compounders/Junior Nurses/Midwives, Vaid grade I, and Vaid grade II (c) Legal Service consisting of Pairokars Class I, and Pairokars Class II, (d) Public Works Service consisting of Overseers class I, Overseers class II, Drafts-men/Surveyors, Garage Superintendents, and mechanics, (e) Fire Service consisting of Assistant Fire Officers, Tindals and Firemen.

**Ministerial Wing :**

This wing consists of Office Superintendents, Head Clerks, U.D.Cs., L.D.Cs., Stenographers, Accountants grade I, and Accountants grade II.[17]

The Government may encadre any other category of post in this service except class IV servants.

**Recruitment :**

The recruitment is made direct to the lower grade of each category by promotion from the lower to a higher grade in the same category by transfer of persons holding corresponding posts under a board, and by taking an official on deputation from the State Government. The ratio of filling up the vacancies by direct recruitment and promotion is 50.50.

Subject to the direction of the State Government the executive officer determines the number of vacancies under each grade under different categories. The list of vacancies is sent to the Director of Local Bodies. For direct recruitment the services of the Rajasthan Panchayat Samitis and Zila Parishad Service Selection Commission are utilised. The Commission consists of two members the Chairman of the Commission; the President/Chairman and the Chief Executive Officer of the Council/Board for which the selection is to be made.

Recruitment by promotion to the service is strictly made on the basis of seniority-cum-merit and previous records of service by a promotion board consisting of Collector or Additional Collector, Treasury Officer of the District, a representative of the Director of Local Bodies not below the rank of a Gazetted Officer and Chairman/President of the Board for which selection is to be made.[18] The promotion board, after taking into consideration

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17. *RMSSR, 1963, Part VI, Rule No. 6.*
18. *Ibid., Part V, Rule No. 23.*

the recommendation of the concerning board and other service records, communicates its decision to the council concerned for the promotion of a candidate.[19] These rules have not so far been implemented. Despite statutory provisions, no promotion board has been constituted.

Thus despite the statutory provisions the conditions of service of the Municipal personnel with regard to their recruitment (except the R.M S.), their pay scales, allowances and other amenities of work have not been improved very much so far. Still the conditions of service vary from municipality to municipality. They are treated not at par with the corresponding services in the Government.

To safeguard the service interests and general welfare of personnel, all municipal units have their separate employees' unions. At the state level, the Rajasthan Municipal Karmachari Federation was established in 1965, but the unit remains only on paper and its working has not yet been put to any test so far. Thus virtually no incentives exist to boost the morale of Municipal personnel. The Municipal personnel system by and large is static. There are virtually no traces of a co-ordinated effort to improve service morale with the result that municipal administration on the whole presents a picture of colourless councellors, fruitless administrative machinery and unproductive work load.

## TRAINING

The efficiency and effective functioning of local bodies depends on many factors such as sound organisation, competent administration and technical experts. The sporadic attempts at reforming the system would not yield the desired results. What is required is a comprehensive and total attempt to transform the municipal administration.

In all administrative and organisational reforms, the training and orientation of the personnel entrusted with implementation of plans and policies assumes vital importance, more so due to scientific and technological advances. Training is the least expensive input in human resource development and has multiplier effect. It provides the incumbent with an opportunity to assess his/her capabilities and improve them by bringing him/her into contact with experts and contemporaries in the field. It broadens him/her horizon of knowledge, out look and understanding and makes him/her capable of functioning more effectively. The importance of training was described by the late Prime Minster Shri Jawaharlal Nehru in the following words :

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19. *Ibid., Rule No. 25.*

"If India is to progress, we must have trained personnel in every walk of life... ultimately it is not for lack of money that our work will stop. It will be for lack of trained personnel in some field or other."

From the initial stages, the new experiment in the rural areas ...ve, financial and other mea- ... a vast and country-wide net ...n developed by the Central ... Community ... of training ...non-officials associated with ...

The field of urban local-self-government, however, remained uncared for. The urban-areas had by and large been left out of the main stream of the developmental process, although in the Third Five Year Plan, this deficiency was made for involving the urban areas into the scheme of planning in an organic way. The plan had also appreciated the potential role assigned to the municipal administration, and referred to the growing problems of urbanisation. It recommended inter alia "Strengthening of municipal administration for undertaking new developmental responsibilities". These suggestions were, however, not followed up by concrete steps and the municipal administration continues to suffer from the inherited weakness of the past. It must be noted that while considerable progress was made in the organisation of rural local government system and providing it with properly trained and oriented staff, the urban local bodies with their problems of growing complexity requiring far more expert handling have gone by default.

The necessity of developing systematic training programmes had been engaging attention of the Ministry of Health and the Central Council of Local-Self Government for a number of years. At the instance of the Central Council the Ministry had set up a Committee under the chairmanship of the then Mayor of Delhi (Shri Nuruddin Ahmed) to study in detail and make recommendations on the training needs of the employees of the urban local bodies. ... ne of ... were ... rs for ... also ... insti-

The Working Group on Local-Self-Government set up by the Ministry of Health to formulate proposals for the Fourth Five Year Plan (1966-71) also supported the above recommendations and asked for ... dequate provisions for the purpose. ... Committee (1966) also underlined t... d emphasized the

need for early implementation of the recommendations of the Nuruddin Committee.

After some consideration a National Centre for Training and Research in Municipal Administration was set up in Delhi as a wing of the Indian institute of Public Administration towards the end of 1966.[20] Four Regional Centres also have been set up as independent faculties of; (i) the All India Institute of Local-self-Government, Bombay; (ii) the Indian Institute of Social Welfare and Business Management, Calcutta; (iii) the Department of Public Administration, University of Lucknow, Lucknow, and (iv) the Department of Public Administration, Osmania University Hyderabad.

**Functions of these Training Centres**

The functions of these Institutes comprise organisation of different types of training courses, seminars, conferences, collection and publication of data, research in municipal administration, providing guidance and counselling services on complex problems, etc. The work of these centres is guided by the Advisory Committees consisting of experts, administrators and non-officials of standing in the field. The Ministry of Health maintains close contact with them and two of the Ministry's senior officers are members of the Advisory Committees of all the centres. The Central Institute at Delhi works as a co-ordinating agency for all Regional Centres.

It may be emphasised that the success of the efforts of these centres depends on the interest the State Governments and the Municipal Bodies take in, and the co-operation they extend to these centres by sending required number of trainees. It is hoped that the centres will get active support from all concerned and it will be possible to strengthen them and expand their activities further in the time to come.

In Rajasthan for the training of municipal employees, a Local-Self-Government Institute has also been set up. The Institute provides training for Local-Self-Government Diploma Course. To give an encouragement to the employees for training an advance increment is granted to those employees who pass the course. Extra-ordinary no-debitable leave is granted for the period of training. A monthly stipend upto half of the pay and allowances of an employee is granted during the period of training and service bond to serve the municipal board for a further period of three years is executed.

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20. *B. P. Patel : Training and Orientation in Municipal Administration, Nagar Lok—Municipal Affairs Quarterly, Vol. I, 1969, p. 7.*

With a view to giving due importance to training, the State Government has further laid down that no Executive Officer, Secretary and Sanitary Inspector, except those who have put in three years service on Ist May, 1960, can be confirmed on the post, till he obtains the Local Self-Government Diploma or Sanitary Inspectors' Course Diploma as the case may be. For future recruitment to these posts preference will be given to trained hands. The povision for training of the Municipal employees is not fully equipped, though the attempts in the direction are being made.

## CHAPTER VII

# MUNICIPAL BODIES AND STATE CONTROL

In an independent country with a democratic system, the importance of Local Government Institutions can not be ignored. Effective and efficient Local Government is almost universally seen as part of the foundation of social, economic and political modernization demanded by the developing countries of the world. Local Government is thus considered potentially playing an important role in achieving the developing world's prime objective, *i.e.*, securing the maximum returns from material and human resources and raising the standards of living. The local authorities can not achieve these objectives without recognizing the need for evolving a machinery that will satisfy democratic aspirations and meet the challenge of urbanization in order to give the citizen the necessary conveniences and urban facilities for a healthy living.

Before the advent of independence, the administrative patterns in the erstwhile princely states of Rajasthan were hinged with the prevalent autocratic system. At the local level all the powers with regard to municipal administration were vested in the respective state councils of the rulers When municipalities were gradually permitted some discretionary powers, the overbearing control of the state councils continued. With the integration of princely states of Rajasthan, the question of evolving a definite set of rules and regulations for exercising proper supervision and control over municipal bodies assumed urgency. The advent of Rajasthan Town Municipalities Act of 1951 and later on Rajasthan Municipalities Act of 1959 was an important development in this direction. Ever since the inception of statutory institutions of Local Government the sponsoring agency (central or state government) has reserved the right to regulate the structural autonomy of Local-self-governing institutions but the provisions relating to state control still persist giving an impression that government treats decentralisation not as sacrosanct but as "a device to aid the achievement of the ends of government."[1]

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1. *"Decentralisation for National and Local Government," United Nations 1962, pp. 5 & 22.*

**Genesis and Rationale :**

[illegible] reated by the [illegible] a type of [illegible] only victims [illegible] aucracy but [illegible] ity to deliver [illegible] of the higher [illegible] the authority [illegible] in specified [illegible] the supre- [illegible] e supervision [illegible] and rational [illegible] local bodies [illegible] rnment have not been very reassuring and it may be due to a number of reasons but a too rigid and faulty administrative control does contribute to its failure. There is no denying the fact that most of the municipal gains are "considered political spoils with an all-pervasive impurity, defying considered judgement, purposive planning and the large interests of diffusion of civic amenities"[5] Mostly the legal powers are numerous but not constructive. There are wide variations in state-local relations, in some respects there is excessive interference and in others the control amounts to non-intervention. Between the two extremes *i. e.* where the Local Government is completely free, autonomous and independent of Central Government *e g*, in Brazil and where it is entirely subordinate to the Central Government, *i. e.* in France, the local bodies have not achieved the best results. Therefore, it is imperative that state control is to be justified and more so because (a) the city is discharging gryroscopic functions these days and the matters which are regarded as of "municipal interest" become with the course of social development, "of interest to the state as a whole;"[6] (b) local authorities are legal creations of the state; (c) for the homogeneous development of all the areas coordination by the state is needed; (d) there is not much of technical skill at the local level whereas the State Government being in touch with a "larger area has greater chance and a permanent body of professional experts"; (e) Transference of wide sphere of

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2. *Humes and Martin, "The Structure of Local Government through out the world" (The Hague), 1961, p. 2.*
3. *R. Argal, Municipal Government in India, ( Allahabad ) 1960, p. 147.*
4. *William O. Hart., An introduction to the Law of Local Government & Administration, (London), 1957, p 7*
5. *C P. Bhambhari, Municipalities and their Finances, (Jaipur) 1969, p. 123.*
6. *K T. Shah and G.J. Bhadurji (Quoted): Constitution, Functions and Finances of Indian Municipalities, (London), p. 129.*

responsibility postulates control specially when like U. S. A. the problem of federation in India has been a "process of devolution of powers by the larger units to the smaller one";[7] (f) Herman Finer favours State intervention due to the following reasons : ( i ) local authorities are liable to be deficient in knowledge, owing to the comparatively small range of facts with which they are familiar, (ii) there is a need of external control to maintain a good standard of services because mal-administration may ruin health, peace, security, education, transport, etc., (iii) powerful interests may work against the local community-work may be got done through bribery, (iv) the central authority, to secure the natural well being supplies the money, and of course it requires a control over the expenditure.[8] In this regard the Taxation Enquiry Commission felt that it is the responsibility of the state to see that local bodies are efficiently organised, and that they perform their functions properly and take adequate part in the development of the country·········the purpose of state control should be the development of local-self-governing institutions with efficient instruments of an administration, capable alike of formulating policies and executing them.[9]

**Panorama of State Control :**

In most countries State control over Municipal Bodies in its widest sense takes three forms viz. legislative, administrative and judicial. Each operates in a particular manner, but is bound together by the general purpose of co-ordinating the work of the Municipal bodies. The occasions for interference by the legislature and judiciary are few and far between. However, the two forms *i. e.* legislative and Judicial, according to Prof. Hart, "are old and exercised by bodies and exclusively concerned with the affairs of local authorities nor instituted primarily to consider its problems. The remaining form is new and has been expressly created for this one purpose."[10]

**Legislative Control :**

Municipal Bodies do not enjoy any inherent and independent powers to frame their own constitution and to determine their scope of functions. In their establishment and statutory specification the Municipalities owe their continuance, delimitation and

7. *Indian Taxation Enquiry Committee, 1924–25.*
8. *H. Finer, English Local Government (London 1950), pp. 295–296.*
9. *Government of India, Report of the Taxation Enquiry Commission, 1953–54, Vol. III, p. 374.*
10. *William Hart : Introduction to the Law of Local Government and Administration London, 1957 p. 277.*

reconstitution to the legislature The legislature exercises its control over Municipal Bodies in two ways first the Act empowers the legislature to make rules and orders for the purpose of carrying into effect the provisions of the Municipal Act secondly, the Act also empowers the legislature to approve the rules and the bye-laws framed by the Municipal Bodies [11]

In Rajasthan, for instance the legislature has framed a number of rules and passed orders for the Municipalities in the state since 1959 A few of the important ones are the Rajasthan Municipalities election order, octroi rules, tax on buildings and land rules, record rules, transfer of charges rules, municipal service rules, etc

The legislature also exercises a healthy and effective control through criticism and suggestions offered by members on the floor of the house For instance, recently in the session of the State Assembly information was sought by the members pertaining to Municipal elections, supersession and appointment of administrat ors, finances and grants-in aid, Municipal properties, specially unauthorised allocation of plots, sanctioning of loans to Municipalities and alleged malpractices by the chairmen and collectors, etc

At the same time, it might be said that legislative cont ol is neither direct nor expeditious in the sense that though legislators point out the acts of commission and omission of the municipal bodies, the actual control in the ultimate analysis is exercised by the Directorate of local bodies.

**Judicial Control :**

The Judiciary also plays a significant role in controlling the Municipal Bodies The Rajasthan Municipalities Act of 1959 gives wide powers to the law courts over the municipalities in the State [12] Judicial control is exercised in various ways It is for the judiciary to interpret the various statutes relating to the municipal bodies It also decides election petitions pertaining to qualifications of candidates, corrupt practices, rejection of nominations and the like Though the courts do not exercise any direct supervisory jurisdiction over municipal affairs, their help is sought to keep municipal bodies from transgressing their powers and functions, or when they act in contravention of the specified rules of procedure [13] For instance, it was held in Gaurishanker vs Municipality of Jhunjhunu case that if a Board fails to comply with Rajasthan Municipalities Act of 1959 any measure of policy

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*11 Rajasthan Municipalities Act of 1959, Section 88, 90, and 297 relating to power of State legislature*
*12 R M A 1959, Section 139*
*13 Ibid, Section 66 and 297*

in that regard would be deemed as ultra vires. Another instance that may be cited here is that of the dismissal of the President of Deedwana and the supersession of the Municipal Board by the Government in 1965 on charges of partisan attitude and malpractices. It was incidently a Jan Sangh Board. On reference to the High Court, the Board was reinstated and the same President was declared to be the rightful President in February, 1965.[14] However the judiciary does not interfere with Municipal affairs and sometimes it is felt that the judicial control is not always as effective as expected.

**Administrative Control :**

Administrative control may be defined as the technical direction of Municipal affairs by state administrative authorities. The Rajasthan Municipalities Act of 1959 vests all administrative powers in the Department of Local Self Government headed by a Cabinet Minister and assisted by a permanent Secretary. In actual practice it is the Directorate of Local Bodies which performs this function in collaboration with other state level technical departments.

Administrative control in Rajasthan is exercised through two techniques; first, by procuring information through reports and inspections and persuading municipalities to function properly,[15] and secondly by exercising control through administrative orders, appeals, reviewing of policy decisions and the normalising of the functionaries and their functions.[16] In addition, administrative control concerns application of rules and procedures,[17] inspection,[18] enquiries,[19] issue of sanctions, cancellation or modification of rules and bye-laws of Board,[20] hearing of appeals relating to taxation,[21] exercise of the powers of dissolution or supersession,[22] and regulating the personnel,[23] budgets, loans and audit.[24]

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14. *File No. F. 1 (38) LSG/DLB/65 : Directorate of Local Bodies, Jaipur.*
15. *R.M.A. Sections 283-300.*
16. *Ibid, Sections 300–316*
17. *Ibid, Section 297.*
18. *Ibid, Section 284.*
19. *Ibid, Section 290.*
20. *Ibid, Section 298.*
21. *Ibid, Section 139.*
22. *Ibid, Section 295.*
23. *Ibid, Sections 310, 311.*
24. *Ibid, Section 276, 278 and 280-281*

The State Government has been and is exercising the administrative control in most of the above-mentioned matters to regulate and to guide the activities of the Municipal bodies

The Act empowers the Government for the suspension or removal of Chairman, Vice-Chairman or a member of the Municipal Board[25] on two grounds first, for being absent from three consecutive meetings of the Council and secondly, for being guilty of misconduct in discharging his duty On the first ground a member of Sri Madhopur Municipal Board was removed by the Director of local bodies[26] for not attending four consecutive meetings of the Board On the other hand a member of the Dungargarh Municipal Board did not attend even a single meeting of the Board after his election In spite of repeated requests from the Chairman of the Board no action was taken against him On the second ground complaints were lodged by some councillors against the Chairman and Vice-Chairman of Sri Ganganagar Municipal Council regarding the misuse of their powers and misutilisation of municipal funds on 31st October 1965. The Assistant Director of Local Bodies conducted an enquiry into all the allegations against the Chairman and the Vice-Chairman on 15th December in the same year On its completion, fourteen charges against the Chairman and three charges against the Vice-Chairman were framed But the Minister of Local Self Government after giving a hearing to the Chairman dropped all the charges framed by the Assistant Director against him through his order dated 7th July, 1966 and the Chairman was reinstated The case of the Vice-Chairman was referred to the judicial officer in February, 1967 The judicial enquiry could not establish the guilt of the Vice-Chairman in respect of these three charges. It was told that the Chairman was having a political tie with some cabinet minister, while the Vice-Chairman was the candidate of the Jan Sangh party A number of similar examples can be given where the members or chairmen of the various municipalities have been suspended or removed on political grounds.

The improper role of the Chairman and the Vice-Chairman could have been and should be corrected in two ways, first, the democratic and the appropriate method of a vote of no confidence against the Chairman or the Vice-Chairman, as the case may be, passed by the Council, (In practice this method is found to be ineffective because of the ever tilting majority in the Council and the crossing of the floor invariably by a single councillor who is swayed by extraneous and none too honest considerations), and secondly, the removal of the Chairman or Vice Chairman by the

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25. *R M A., Sections 63*
26. *File No 18 L S G 9th Nov, 65, Director of Local Bodies, Jaipur*

Government. This is certainly undemocratic and offensive in character. If this method of control is considered necessary, it ought to be used only as a last resort and that too only after two or three motions of no-confidence against the Chairman or Vice-Chairman have failed. It should not be made an instrument of political pressures.

Similarly, in financial matters, the Government has been vested with extensive powers of control over the municipalities by the Rajasthan Municipalities Act of 1959. The control is exercised through various means such as approval of municipal budget, restrictions and limitations over the municipal expenditure, and audit of Municipal accounts, etc.[27] For instance, the Jaipur Municipal Council submitted its budget for 1965-66 to the Government for approval on 9th March, 1965. The budget was of about Rs. 65 lakhs but the Government modified it and raised the total estimates to Rs. 70 lakhs. The budget proposal of the year 1965-66 revealed that the Council wanted to abolish cycle tax but the state government did not agree to that and included the income from the cycle tax in the budget estimates of the Council. Similarly, on the expenditure side the government reduced the non-recurring expenditure by Rs. 3 lakhs.

In case Municipalities fail to conduct themselves properly, they can be dissolved or superseded by the Government.[28] Dissolution as a means of punishment is only a mild step because soon after the dissolution, the voters of a locality are given an opportunity to re-elect their representatives. It is not the same with supersession. In case of supersession an administrator is appointed by the Government to work on behalf of the elected Council. In Rajasthan there is no distinction between dissolution and supersession. Supersession is followed by dissolution. Here more than 30 municipalities have been superseded up to now, mainly in the name of incompetence. For instance, the Government ordered an inspection of the affairs of Jaipur Municipal Council in 1963 and after making an enquiry, passed an order declaring that the said municipality was incompetent and in persistent default and had abused its powers.[29]

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27. *R M.A. 1959, Sections 277 and 279-280.*
28. *Ibid, Section 295.*
29. *Local Self Government Department order Jaipur, April 6th 1963, F.(21) L.S G./63 whereas the State Government after affording a reasonable opportunity of submitting an explanation and of being heard and after considering the explanation the Government is satisfied that the Municipal Council, Jaipur is not competent to perform and has persistently defaulted in the performance of the duties imposed on it by or under the Rajasthan Municipalities Act, 1959 and has exceeded and abused its powers and therefore it is being superseded by the Government.*

Similarly the Municipal Board of Deedwana was superseded by the Government in 1965, for abolishing cycle tax without the prior approval of the Government

It appears that the provision under the Act gave the Government unlimited discretion to interfere with the affairs of a Municipality It may be quite true that certain charges must have been levelled against the municipality But could there be a guarantee that in all the cases the decision of the minister would be hundred per cent right and would be prompted by consideration of efficiency of the municipal administration ? Further the Municipal Council or Board can be superseded or dissolved on charge of incompetence Here once again it has not been made clear as to what the Government means by the phrase 'incompetence' No doubt, the word incompetence is followed by 'to p rform the duties imposed on it, yet one can not expect the councils to exhibit competence in performing their various duties in view of the fact that the finances of the municipalities are not commensurate with the functions entrusted to them In addition, the fact is that the targets fixed by the State Government are beyond the reach of the municipalities and therefore, it would be unjust to expect the munipalities to attain those targets, and to treat their failure as incompetence. Of course, incompetence can be a ground for supersession or dissolution but only when clear methods and proper machinery of determining competence are evolved and applied Supersession or dissolution of municipalities is not a satisfactory remedy for the maladies from which municipal bodies generally suffer Almost all the committees and commissions that have prob d into the affairs of local bodies have discouraged this drastic action by the Government

But the situation is not very much different from what the Simon Commission observed about thirty eight years ago "where spurs and reins were needed, the ministers were given only a pole axe '[30] This is also confirmed by the observation of Rural urban Relationship Committee Report 'the techniques of supervision and control in India have remained rather static, unimaginative and negative '[31] Control has been understood and viewed only as a system for enforcing standards and not as a process of developing systems of standards for the guidance of behaviour of councillors and chairman in their collective capacity The intention behind controls ought to be to secure compliance of the major objectives laid down by the Legislature and of the socially accepted political, social and economic values and not to insist on or adherence to statutory provisions, rules and government orders

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*30 Tinker Local Self Government in India, Burma and Pakistan, p 142.*

*38 Report of the Rural Urban Relationship Committee, 1966, Ministry of Health, Government of India, Vol I p 117*

Moreover, most of the functions of local bodies are also the responsibilities of the state government. Matters like education, public health, housing, communications and transport concern the municipal bodies as much as the state departments. But no programme of education, public health, housing and public welfare can make much headway without close cooperation between municipal bodies and the departments of the state government. The provision of these services should be a joint responsibility based on a partnership for a common cause. The State-Local bodies relationship is, therefore, to be no longer considered antithetical as local autonomy versus state control but should rather viewed in the light of finding out how the interests of the cities can best be served by state and municipal governments jointly. In the words of Prof. Hicks, 'the kind of relationship between state and local government that has to be aimed at, is neither control of local Government by the Central Government, nor such concurrent powers as wou d be aopropriate for the units of a federation. Rather the optimal relationship would be a partnership of two active and co-operative members, but with the Central Government definitely the senior partner.'[32]

**Strengthening Municipal Administration :**

The problems that plague our Municipal 'Government today cannot be solved without a concerted effort on the part of both the Mun cipal councils and the state Governments to build them up as effective instruments of local Government and administration. What are the key points that require attention ? Without going into a long catalogue of weaknesses in the Municipal Machinery it may be stated that there are three essential matters that need to be attended to expeditiously :

(a) ensuring the provision and retention of adequate qualified technical and administrative personnel with necessary security of service, capable of giving the best advice to the Council without fear or favour;

(b) adequate and steady sources of revenue; and

(c) an administrative organization according to the needs of each city, capable of acting impartially and obtaining citizens support.

**The obligations of Municipal Councils :**

There is a tendency to presume that state-local bodies relations are a one sided affair depending only on the State Government. Municipal Government reform is also the concern of

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32. *Report of the Rural Urban Relationship Committee, Government of India, Ministry of Health and Family planning, 1966, p. 120.*

Municipal Bodies and the development of sound and healthy traditions of state-local bodies relations is dependent to a coniderable degree on the attitudes and approach of the Municipal Councils. The State Government can hardly be blamed for encroaching upon the field of Municipal sources of taxation if the Municipal Bodies fail to exploit the sources assigned to them i. e. if taxes are not imposed, or if imposed, the rates are far too low as is true in the matter of property taxes in most municipal bodies. For instance, in Rajasthan the levy of house tax and of tax on professions and callings is by law obligatory and their rates have been fixed by the State Government. But most of the municipal bodies in the state are not collecting these taxes. Here is ample justification for the State Government to interfere in local affairs by compelling the municipal bodies to impose taxes or enhance their rates and by assuming powers to impose such taxes itself. Again, imposition of taxes alone will not bring adequate revenue if the annual value of properties is not properly assessed and the local interests are able to influence the Municipal Councils to secure lower assessment. The proposal for a Central valuation agency under the State Gevernment is decried again as an attack on the jurisdiction of the Local Self Government.

Another aspect of state-local bodies relations is the extent of subsidies and grants that may be given by the State Government. Most state Governments in India including Rajasthan have not formulated a proper code of grants for municipal bodies partly due to the failure of the municipal bodies to go all-out to raise their own resources on the plea that grants are only an encouragement to the ill-managed and inefficient Municipal Administration. Again state support can hardly be expected for promoting Municipal services such as water supply and drainage if the Municipal Councils are not prepared to play their part in levying appropriate rates and charges to meet the costs of such services. There is need, therefore, for the Municipal Councils to create the right climate for a sympathetic and constructive relationship between the State Government and the Municipal Authorities.

**The Obligations of the State Government :**

As senior partners, State Governments must also realise their responsibilities to the local bodies in preparing the Municipal Authorities to discharge their obligations. There is need for revision of municipal laws to give the municipal bodies greater flexibility to act. Further, irksome orders and rules for obtaining sanctions and administrative approval involving long delays must be rationalised. The relations between the State Government and Municipal Bodies should be so managed as to ensure prompt and systematic notice of defaults and failures followed by appropriate measures. There is a need for direct and continuous means of contacts and consultations between officials

of the Government and those of the Municipal Bodies to avoid pitfalls and to provide timely assistance and guidance. Recurring mismanagement or malpractices must lead to expert enquiries for devising methods and administrative norms to avoid them.

In Rajasthan, unlike other Departments of the Government however, the Local Self Government Department has no field agencies with proper staff at various levels which can closely and constantly guide and assist the Municipal Authorities in the solution of their problems. The Collectors and Sub-Divisional Officers as the authorities of supervision and control over Municipal Bodies have no time to provide guidance to them in the solution of their problems because of their pre-occupation with law and order and development functions. In addition, it is not possible for the Director and two Assistant Directors of Local Bodies to supervise and guide the work of the 145 Municipalities in the State. For instance, the Director was able to inspect only three Municipalities in 1964-65, one in 1965-66, three in 1966-67 and again one in 1967-68. Similarly, the two Assistant Directors were able to visit only two Municipalities in 1966-67 and three in 1967-68, while under Government rules the Director or the Assistant Directors must inspect every Municipal Council once in a year.

Thus the present organisation of the Local Self Government Department including the Directorate of Local Bodies in the State is not adequately equipped to meet these exigencies. Nor has the State developed the required expertise to play the role of a friend philosopher and guide of the Municipal Bodies with an intrinsic interest in their administrative efficiency. This calls for a reorganisation at the State Headquarters with necessary field organisation.

Therefore, the Directorate of Local Bodies should be reorganised on the following lines as also has been recommended by the Rural-urban Relationship Committee:-[34]

(a) There should be a Director of Local Bodies, a senior officer with experience of Municipal Administration with required assistance.

(b) The Directorate should have a personnel section with a separate Personnel Officer to control and advise Municipal Authorities about personnel management.

(c) There should be a Central valuation section to guide and control the organisation of assessment of properties through the field valuation officers and to act as the appellate authority for valuation of property.

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34 *Report–op. Cit, p. 120*

(d) A planning and finance cell should be established to guide and assist Municipal authorities in preparing Five Year Plans on a uniform pattern as a part of the State Plan. The cell shall act as a liaison between the functional and technical departments of the Government in the planning and execution of their programmes in the urban areas. It will also collect data, analyse information prepare documents and research reports to provide the basis for decisions on policy and programmes.

(e) An inspectorate should be created at the District level for maintaining local contacts and providing the link between the Directorate and local bodies.

(f) Finally, there should be a General Administrative Section under the Director, for exercising general supervision and control, receiving regular reports from the field, assessing the work of local bodies, checking up difficulties and bottlenecks, and suggesting remedial measures. The section will also deal with matters relating to model bye-laws and rules and advise Government on changes in law relating to Municipal bodies.

Once the Directorate is well established on the above lines it will be able to identify the problems that face Municipal Bodies in the context of the dynamics of the urban situation. But as pointed out above, this needs as much a change in the attitude of the Municipal Councils as in the approach of the State Government to the status and functions of the Municipal Bodies

## CONTROL MECHANISM

As regards the machinery through which the state exercises direct or indirect control, there are four agencies, viz, (a) Local-self-government Department, headed by the Minister in Charge; (b) The various technical state level departments; (e) The Directorate of Local Bodies; and (d) The Collector as a field agency.

**(a) Local-Self-Government Department :**

At the Secretariat level in Rajasthan there is an exclusive department in charge of the municipal bodies. This department is headed by a cabinet minister and assisted by a Secretary subordinate to him. The Secretary is assisted by deputy and assistant secretaries. The department is mainly intended for the formulation of administrative policy in conformity with the various enactments. The Directorate of Municipal Administration functions under the secretariat department as its executive. The Ministry of Local-Self-Government has no direct operating responsibility in respect of local government; its function is mainly supervisory,

regulatory and promotional. Thus the state department in charge of municipal government is essentially external to municipal government over which it has only general control. The externality of State Control and supervision has been a principal tenet of the philosophy of Indian Local Government since the days of Lord Ripon. Local Self-Government implies that the local-self-governing bodies do not constitute a part of state administration and they are representative of and responsible to the local citizens. It does not follow that they are not responsible to the state; the implication here is that in dealing with local-self-governing bodies the state should not treat them as its administrative organ and its control should be from outside in order that the system of local-self-Government can be preserved and promoted. State supervision is intended to strengthen local government by making it more and more self-reliant and not to encroach upon its powers and discretion. As pointed out in the preceding pages, the Directorate of Municipal Administration has been the recipient of these state powers. The current trend toward the formation of unified cadres of municipal services and the establishment of central valuation agency would have the effect of increasing the powers of the Directorate at the cost of the municipalities. Ofcourse thisis intended to bolster up municipal Government, which no doubt stands badly in need of repair and renovation. But there is a danger that in the process Municipal--self-Government might suffer an eclipse. Therefore, there is an urgent need for a purposeful, dynamic and well-equipped state organisation for municipal development.

In this respect, the Rural-urban Relationship Committee was right in observing that state supervision and control are at present 'mainly directed towards securing the prope performance of the functions entrusted to local authorities without any conscious effort to make local government institutions grow', and the states would be able to play a positive and effective, role only if they have a proper machinery to supervise, advise and guide the municipal bodies. But it is the nature of the state machinery for dealing with the municipalities that has to be carefully considered.

There is every justification to use the state officials for the purposes of conducting inspections, rendering advice and offering guidance; but any action in relation to a municipal body must be undertaken by the Minister concerned and not by any State official. The Minister would obviously act upon the report and advice of the officials, still the final action should be his and he is under obligation to bring his actions to the notice of the legislature. It follows from the theory of ministerial responsibility to the legislature that no powers in relation to the municipal bodies should be statutorily given to any state official. Therefore, the approach should be to equip the department, headed by the minister incharge of Municipal Government, properly and to streamline its administrative procedures in order to facilitate speedy action. The negative

role of the state department must give way to positive and dynamic attitude toward the healthy growth of municipal government. A 'policy cell' as recommended by the Administrative Reforms Commission in each ministry concerned with development programes should also be created at the state-level admintstration relating to municipal government. This cell should consists of experts on different aspects of Municipal Government and Administraion. It would engage in policy studies with a view to evolving a series of well-articulated policy statements on important aspects of the work of the ministry. There must be a continuous feedback of field information from a well-organised inspectorate to the secretariat department. The inspectorate will have to function in the crucial role of a friend, philosopher and guide and at the same time keep the secretariat informed with the problems and difficulties faced by the municipalities.

The functions of a Ministry or Department of Local Government may be seen in the appendix.

**(b) Control of State Level Technical Departments :**

With a view to maintain a minimum standard of efficiency and proper scrutiny of public funds and grants, the activities and departments of the municipal council/board are also subjected to periodical inspections by other departments of the state government In sanitation matters, the advice of the District Medical Officer of Health has to be adhered to, while the superintending engineer, public health can inspect the water works. The department of town and country planning is a standing guide and adviser for purposes o f town planning etc.

In their relations with the state technical departments the general practice is that the municipalities, submit their technical schemes and plans through the Directorate of Municipal Administration which examines them from the administrative and financial point of view. Informal meetings are also arranged by the technical departments, where the Director puts forward the problems of municipalities. The Director acts as a liasion between the technical departments and the municipalities.

**(c) State Directorate of Municipal Administration :**

At the State-level administration in India, the Directorate is quite a familiar agency of government. In most States the Departments incharge of industry, agriculture, education, etc., have their ates, and the distinction between the Secretariat and the

Directorate is well-known. The Secretariat is commonly regarded as the policy framing organ, and the Directorate is supposed to execute the policies. So far as local government administration is concerned, the usual pattern in all the states has been to have a department of local-self-government. The emergence of Panchayati Raj led in most states including Rajasthan to the bifurcation of local government administration at the State level and separate departments emerged to look after rural and urban local bodies. Comparatively speaking, the idea of a Directorate of Municipal Administration is of recent origin.

A ful-fledged Directorate of Municipal Administration exists in Rajasthan. Rajasthan has the oldest Directorate dating back to 1951 when the Inspectorate of District Boards and Municipalities was converted into the Directorate of Local Bodies.

**Main objectives :**

The case of a Directorate has usually been made out on the ground that a separate agency eduipped with necessary field staff is needed to exercise control and supervision over the municipal bodies, help and guide them in their activittes, and undertake inspections in order that their performance could be bettered. As the Punjab Local Government (urban) Enquiry Committee observed, "the Directorate should function more as an agency for assisting and guiding the affairs of the Local Bodies." [1]

The Committees of Ministers of Local-Self-Government recommended the setting up of Directorates; [2] and the Central Council of Local-Self-Government (1965) also, urged the State Governments to establish the Directorates to keep watch on the implementation of the resolutions of the Central Council and Conferences of Municipal Corporations and to ensure execution of the local government schemes. The Executive Committee of the Central Council endorsed the recommendation and suggested the formation of planning cells to help and guide the urban local bodies in the preparation of five-year development plans. The Rural-Urban Relationship Committee (1966) was of the opinion that" a well-organised Directorate at the State level with effective regional inspecting staff should go a long way towards improving the system of direction, supervision and control of local bodies. It should guide and advise local authorities in the solution of their current

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1. *Report of the Local Government (Urban) Enquiry Committee, 1957, Government of Punjab, p. 18.*
2. *Augmentation of Financial Resources of Urban Local Bodies Report of the Committee of Ministers, Govt. of India 1963,p. 44*

and future problems and advocate their cause with the relevant departments"[3] The Committee discussed in some datails the organisation and functions of the Directorate and its relationship with the other technical departments

Other arguments[4] often made in favour of a Directorate are

(i) the Secretariat is overburdened with work load much of which could be processed and dealt with at the Directorate level ensuring thereby speedy disposal of cases,

(ii) Control, supervision, guidance and inspection cannot be left with the busy collectors and sub divisional officers whose hands are already full with various duties relating to revenue, general administration and law and order, and what is needed instead is a Directorate serving as an exclusive agency of the Secretariat

The Directorate of Local Bodies in Rajasthan, came into being for a variety of reasons In Rajasthan, the five city municipalities of Jaipur, Jodhpur, Udaipur, Alwar and Bikaner were governed by the respective municipal Acts framed in the days of the erstwhile princely States To bring all other towns under one municipal law, the Rajasthan Town Municipalities Act was passed in 1951 The latest enactment is the Rajasthan Municipalities Act, 1959 which superseded all other municipal Acts in the State and brought both the city and the town municipalities under a uniform law The Directorate of Local Bodies precedes this uniform law After the formation of the Rajasthan State, an integrated department under a Chief Inspector of District Boards and Municipalities was established in February 1950, to supervise and control the working of the district boards and municipalities In April 1951 the Inspectorate was converted into a Directorate under the charge of a Director of Local Bodies mainly concerned with the supervision and control of municipal bodies Besides, the introduction of Panchayati Raj coupled with the trend toward organising a separate administrative machinery for it, and the need for reorganisation of the system of State Control supervision and guidance of municipal bodies largely account for the emergence of the Directorate of municipal administration in the State

Moreover, with the formation of State-wide-cadres for municipal services in the state, the Directorate has assumed the role of central controlling authority in respect of different categories of municipal posts It is implied in the current trend toward the

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3 *Report of the Rural-Urban Relationship Committee, Vol I Government of India, 1966, p 120*

4 *Bhattacharya M State Dirctorate of Municipal Administration, 1969 p 13*

formation of municipal cadres that a centralised agency at the State level would take over municipal personnel administration. As a recent committee report suggested, "once such a municipal cadre has been established. it follows logically that there should be a Directorate of Municipalities at the State level to exercise adequate supervision over the work of Municipal Chief Executive Officers and to give them necessary guidance." [5]

Apart from control over municipal, basis the State Government has considerable regulatory and supervisory powers over the municipal bodies. Municipal actions need prior State approval in many cases, and the State Government has powers of review and rescission of municipal decisions. The Municipal Act provides for deleggation of powers to prescribed authorities. The delegation of powers has greatly facilitated the constitution of Directorate of Municipal Administration.

**Legal Status and Organisation :**

The Diretorate in Rajasthan has no explicit reference in the substantive provisions of the Rajasthan Municipalities Act, 1959. This is all the more strange because the Directorate precedes the municipal legislation; at the time of framing the uniform law an explicit provision for it could have been made as it has been done in the enactments of Andhra Pradesh and Maharashtra. As a result, the Directorates's existence in law depends exclusively on a number of Government notifications resting specific powers in the Director under particular sections of the Rajasthan Municipalities Act, 1959.

**Organisation of the Directorate :**

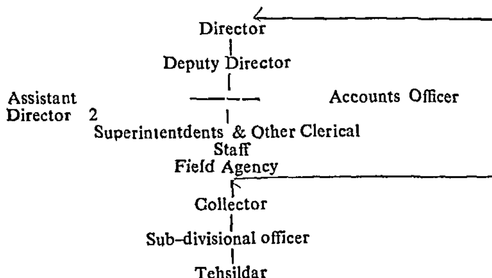
The organisation of Directorate differs from State to State. In each State, the Directorate is headed by the Director who is assisted by a Deputy or Assistant Director. In Rajasthan the Director is a senior officer with considerable experience in field administration. Until August 1962 the Directorate was organised in much the same way as its counterparts in Andhra Pradesh and Punjab. Aside from the headquarters office, it had its own regional field machinery consisting of five Regional Inspectors Under a scheme of economy measures, the Directorate was reorganised in Aust 1962, when the regional machinery was abolished altogether and the work relating to field supervision, control and inspection of municipalities was delegated to the Collectors and sub-divisional officers. At present, the Directorate consists of the Director, one Deputy Director, two Assistant Directors and an Accounts Officer. The Deputy Director and one of the Assistant Directors belong to the Rajasthan Administrative Service,

5. *Augmentation of Financial Resources of Urban Local Bodies, op. cit.. p., 44*

and the Accounts Officer is drawn from the Rajasthan Accounts Serviee. Besides, there is the ministerial wing with superintendents and a complement of clerical staff and other assistants. The Deputy Director looks after internal house keeping of the Directorate and shares inspection work with the Director. The Accounts Officer is a touring and guiding officer in respect of clearance of audit objections, recovery of government loans, proper maintenance of accounts, and general fiinancial matters. What strikes an observer is that Rajasthan has the largest number of municipalities to look after, andyet the Directorate does not have any regional machinery of its own. Again, the reorganisation of the Rajasthan Directorate in 1962 is an important pointer to all the Directorates of Municipal Administration. The regional machinery of the Rajasthan Directorate was abolished not merely on the ground of economy; it was argued at that time that owing to the separation of executive and judicial functions, the collectors and the sub-divisional officers would have lighter workload, and the work of the regional machinery could be enrusted to them. This has actually been implemented in Rajasthan, thereby bidding goodbye to the regional organisation of the Directorate since August 1962. Since the Directorate has no field agency of its own, it depends heavily on the district collector or field level operations, and in that case the Collector constitutes an important part of the organisation of the Directorate. There is, thus, an element of competitiveness between the Directorate of *Municipal Administration and the District Administration* headed by the Collector.

The organisational structure of the Directorate may be made clear with the help of the following chart :

Directorate of Municipal Administration
Organisation Chart



**Powers and Functions :**

A universal feature of the municipal Acts in India is that the State Governments have retained in their hands considerable power and authority in respect of the working of the municipal bodies, Directorates of Municipal Administration have been the direct le gatees of the State powers. The Directorates have been delegated many of the powers of the State Governments.

The powers of Directorate in Rajasthan in relation to different aspects of municipal administration have been shown in details in the Appendix, and the specific statutory references have also been quoted against each power. Powers have been classified according to their relationship with specific aspects of municipal government and administration. Thus, there are four broad classifications in terms of *organisation* or *constitution, personnel administration, financial administration* and general administration. The last group has been further sub-divided into general and special powers to point out the special nature of emergency and default powers.

(i) Organisation or constitution powers: Although in Rajasthan the Directorate is not concerned with municipal organisation as such, the Director has been given the extra-ordinary power of removal of municipal members in specific cases.

(ii) Powers over municipal personnel administration : In Rajasthan the Director has substantial powers of sanctioning most of the municipal posts. He has been delegated limited powers of appointment of municipal staff. The appointment of assessors of all municipal boards is subject to his approval. Also, he is the transferring authority in respect of all municipal employees except those belonging to the Class IV service, and he has the power to take disciplinary action against these employees.

(iii) Power over municipal financial administration : For obvious reasons considerable importance is attached to municipal financial administration, and over this area the State Governments try to exercise the strictest control. Aside from the power to sanction municipal contracts upto a certain value, the Director of Local Bodies in Rajasthan has not been delegated any important financial powers. For the purpose of distribution of State-grants-in-aid to the municipalities, the Director has been appointed as controlling officer under special government orders.

(iv) Power over general administration. The directorate has been given controlling power over general administration and specific functional administration. It also exercises the emergency and default powers A feature of the Municipal Act is that the Director has been invested with general inspectorial and superintending authority which includes powers to inspect municipal property and work and to call for records and extracts of municipal proceedings Also, the Director has been given limited control over specific functional administration The powers to accord sanction for leasing out the right of removing municipal refuse

**Secretariat-Directorate Relations :**

The Directorate of Municipal Administration is es entially an executive agency of the State Government, and as such it acts as a bridge between the municipalities at one end and the State Government at the other At the State level it has important relationships with the Secretariat department in charge of municipal administration and with a number of technical departments dealing with specific functions such as public works, health, water supply and sanitation, housing and town planning Since the municipalities are invariably situated within a revenue district, district administration headed by the Collector has general supervisory jurisdiction over them. In this respect, the Dire torate seems to be a specialist agency in an area of administration for which district administration has only general concern

At the Secretariat level there is a department or Ministry with a minister as head and a Secretary sub-ordinate to him to deal with Municipal Government and administration The Secretary is assisted by deputy and assistant secretaries The Directorate of Municipal Administration functions under the Secretariat department as its executive arm In Rajasthan the Director, in addition to his being head of the Directorate has been made ex-officio Deputy Secretary to the Government and there is no physical separation of the office of the Director of Muncipal Administration and the Secretariat Department which, in effect, slurs the distinction between the Directorate and the Secretariat Under the integrated system in Rajasthan, the Director has been made ex officio Deputy Secretary In the absence of its regional field offices, the Rajasthan Directorate is bereft of any centrifugal forces that could help in maintaining a separate identity to some extent As it stands to day, apart from its physical separation from the main Secretariat complex it is functionally and spiritually indistinguishable from the Secretariat Department of Local-Self-Government.

In theory, at least, wherever the Directorate is headed by a full time Director who has no other Secretariat responsibilities, the orthodox principle of separation of questions of policy from actual details of administration is adhered to. It has been argued that the Director, in such situation, can devote his entire time and energy to field level problems keep in close touch with the municipalities, and undertake more and more field inspections. Contrarily the integrated model with the Director holding concurrently the post of Deputy Secretary, has been supported on the ground that the separation of the Secretariat and the Directorate into water-tight compartments is inconvenient in practice. When the Director is also the ex-officio Deputy Secretary, the arrangement greatly facilitates the work of the Directorate through quick authentication of Government orders, ready access to the Minister, speedy movement of files and in general, easy communication between the Secretariat and the Directorate. It has been observed that this arrangement is also economical.

**Directorate and Functional Departments :**

The Directorate of municipal administration tagged to Secretariat departments is not technical wing like the Directorates of public health or those of medical and health services, and forests and fisheries. The role of the former is essentially supervisory, inspectional and advisory. It has been pointed out that the municipalities are often to depend on state technical departments dealing with water supply and sanitation, health and medical services, roads and other public works, for the preparation, scrutiny and technical sanction of their schemes and, in some cases, even for the execution of schemes. Wherever education is a municipal function, state education departments exercise supervision and control over the municipalities directly issuing grants, prescribing syllabi, undertaking inspections and laying down standards. Thus, from the standpoint of functional administration, the municipalities are to look to State technical departments, whereas the Directorate of municipal administraion, remains mere generalist agency, at the most specialising in tendering advice, in inspection and supervision.

In its relations with the State Technical departments, the general practice is that the municipalities submit their technical schemes and plans through the Directorate which examines them from the administrative and financial points of view. Informal meetings are also arranged by the technical departments, when the Directorate puts forward the problems of municipalities. In the matter of specific municipal appointments, the Director has to work in close collaboration with the State functional departments. For instance, in Rajasthan the appointment of municipal food

inspectors is made by the Medical and Health Department on the recommendation of the Director of Local Bodies.

In spite of such limited collaborative arrangements the Directorate of municipal administration, as it is constituted now is unable to render assistance and advice to the municipalities in purely technical matters. To remove this difficulty, it has been suggested that formation of an engineering cell and a town planning cell could be thought of within the Directorate. A substantial portion of municipal fund is spent on public works including roads and buildings, and quite often municipal schemes are held up because of delay in technical sanctions from the concerned State functional department, which results in increased cost estimates of such schemes. As the Directorate is constantly in touch with the municipalities, a town planning cell in the Directorate, it has been argued, is necessary to assist the municipalities in the preparation and implementation of their town planning schemes.

It may be mentioned in this connection that the Rural-Urban Relationship Committee has recommended that, apart from an inspectorate at the field level, a Directorate should have four sections on *personnel, central valuation, planning and finance*, and *general direction and supervision*. The Committee did not envisage formation of technical cells within the Directorate, but recommended that the State departments incharge of town planning and public health engineering should function in close cooperation with the Directorate of Municipal Administration. [6] The first two sections on personnel and central valuation follow as a natural corollary from the committee's recommendations about the formation of municipal cadres [7] to be controlled centrally by the Directorate and Central Valuation Agency for the purpose of assessment of annual value of buildings and lands within the municipal areas. [8] To guide and assist the municipalities in the preparation of their five-year plans will be the main work of the proposed planning and finance cell. The fourth section would be concerned with general direction and supervision over the municipalities.

No doubt the municipalities are badly in need of technical support and services, but there are certain difficulties in establishing technical cells within the Directorates of municipal administration for this purpose. In the first place, the municipalities are multi-functional bodies, and a Directorate cannot have all the technical wings attached to it corresponding to the functions undertaken by the municipalities. In the second place, the different

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6. *Report, op. cit., pp. 120–121.*
7. *Ibid, pp. 76–80*
8. *Ibid, p. 98*

functional State Directorates on public health engineering, medical and health services, education and so on are specialised agencies, and there is no point in duplicating their functions by setting up technical wings within the Directorate of Municipal Administration. The remedy[9] lies not in creating costly technical wings in the Directorate but in achieving purposeful co-ordination among the different State functional Directorates so that their resources could be pulled together and pressed to the overall development of the municipalities. Co-ordinated assistance to the municipal bodies cannot be secured through the mediation of a Directorate of Municipal Administration which is just an agency of the Secretariat. What is needed[10] is a well-organised Secretariat department in charge of municipal administration which will periodically assess the needs of municipal bodies and communicate with sister Secretariat departments dealing with specific functions such as health, public works, education and others in order that their services could be made available in a planned way to the municipalities. Aided by an intelligent inspectorate at the field level whose function would be advisory rather than inquisitorial, a Secretariat department of municipal administration would keep abreast of municipal problems and formulate imaginative, long term policies to salvage municipal government from the morass of sloth and stagnation. The essential task of the State is to assist and supervise the municipal bodies to make them more and more self-reliant, and not to arrogate to itself their powers and responsibilities. This is a function of the Secretariat department presided over by the popular Minister. The defect in contemporary State administration in relation to local-self-governing bodies lies at the policy level and in the absence of a purposeful and continuous feed-back process between the field level machinery and the Secretariat Local government inspection by the Collector, which is more statutory than real, is perfunctory and control-oriented. Where inspection is carried on through the machinery of an inspectorate, it is largely inquisitorial or a routinised exercise. If inspection has to be used as a device for the promotion and development of local-self-government, there must be a long range State policy to that effect within which frame the inspectorate would carry on its work. Thus, any projected reform in State administration in relation to municipal bodies should aim at strengthening of the Secretariat department in charge of municipal administration and creation of a well-staffed, purposeful inspectorate which would work as an adviser of municipal government as well as aid to State Government.

**(a) Directorate and the Collector :**

The crucial role of the District Collector as 'the principal functionary of the State familiar characterisation of the office as

9. *M. Bhattacharaya : State Directorates of Municipal Administration*, IIPA, *New Delhi, 1969, p. 40*
10. *Ibid, p. 14*

the "eyes and ears" of Government In recent times, due to changed political climate and administrative innovations his role and responsibilities have undergone important changes [11] But any attempt to create new machinery for field level administration has got to reckon with district administration headed by the Collector Since the Directorate of municipal administration has been set up to control, inspect and supervise the municipalities which fall within the revenue districts, its powers and responsibilities need to be cast alongside the powers of Collector over the municipal bodies

The major powers of the Collector in relation to Municipal government and administration, as provided in the municipal Act are concurrent with the Directorate in many respects It has been pointed out earlier that under a re-organisation scheme in 1962, the regional field machinery of the Rajasthan Directorate was abolished and the Collectors and the sub-divisional officers were entrusted with the work of supervision control and inspection of municipal boards under their jurisdiction Thus Rajasthan choose to make use of the traditional field administration which, it was felt, would have lighter workload after the separation of judicial and executive functions Since then, the Director of Local Bodies has been empowered to inspect and supervise the work of municipal councils only, and all other municipal boards are looked after by the Collectors and Sub Divisional Officers However, the Director's powers under sections 283, 284 and 285 (1) extend to all the councils and boards in the State, he exercises these powers concurrently with the Collector As shown in the Appendix in Rajasthan the powers of the Collector over municipal administration are almost the same as those of the Director, the difference being only in their operative jurisdictions

Under this arrangement the Collector undertakes the field responsibilities of the Directorate It is necessary to define his relationship with the Director of Municipal Administration In Rajasthan, the Director has been given revisional power in connec tion with the orders of the Collectors In order to verify the correctness, legality or propriety of any order passed by the Collector, he may call for relevant records and pending their examination hold such order in abeyance and later reverse or modify it [12] By virtue of this authority, the Director has been placed in a superior position to the Collector, which has important administrative implications Since the collector belongs to the Indian Administrative Service, unless the Director of Municipal Administration is a senior

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*11 The Special number of the Indian Journal of Public Administration (Vol XI, No 3, July-September, 1965) on "The Collector in the Nineteen sixties "*

*12 Section 300 of the Rajasthan Municipalities Act, 1959*

officer, preferably from the same service, the formal subordination of the former to the latter may not work in practice and there may not be a smooth relationship between them.

**The Directorate at work.**

The Directorate has both stationary and touring duties. The later includes regular inspection and enquiries, and occasional visits. In Rajasthan, inspection work is undertaken mostly by the Collectors, in consequence, the Director has paid very few field visits. Although, no hard and fast rule has been laid down, the Director usually inspects the municipal councils and the rest are left to the care of the collectors. Thus, it is undertaken concurrently by the Director and the Collectors and the Sub-Divisional Officers. While on tour, very often would the Director meet and discuss with the councillors various municipal problems and suggest measures to solve them.

Apart from inspections, visits and enquiries, the Directorate is used to sending circulars to the municipalities with a view to explaining government orders, advising the municipalities on specific cases, and elaborating procedural matters. This is an important method to keep in constant touch with the municipalities and in the process they receive timely advice and guidance. The execution of specific services has been undertaken by the Directorate. The Directorate is responsible for the implementation of the urban community development schemes.

The very purpose of having a Directorate is defeated when important queries from the municipalities are not attended to, or when the action to be taken by the Directorate is inordinately delayed. Such instances of indifference and delay are not rare. Instances of indifference and delay are quite common where the Secretariat including the Minister concerned had intervened in areas which should normally have been left to the Directorate to take decisions. In such cases, the Directorate has virtually been reduced to a non-entity. Another important point relates to the personnel of the Directorate both at headquarters and the field levels. The municipalities expect that the officers responsible for supervising, assisting and advising the municipal bodies should be well-versed in their job and temperamentally and technically suited to undertake the responsibilities. Many a time, however, the overbearing attitude and lack of sense of dedication among the Directorate officials are understood to have prevented an entente cordiale between the municipalities and the Directorate.

## CHAPTER VIII

## MUNICIPAL ELECTIONS, ELECTORATE & POLITICAL PARTIES

**Elections & Electorate :**

In Rajasthan, Municipal bodies began as exclusively nominated bodies and the elective element was ignored However, the first step in this direction was taken in the Chief Commissioner's province of Ajmer in 1869, where rules were framed for electing Municipal members Though nomination continued, it was only after Lord Ripon's Resolution of 1882 that the Ajmer Regulation of 1886 followed and it provided for an elective base of representation in Ajmer-Merwara In Bikaner the elective principle was introduced in 1925 with restricted franchise In other states of Rajasthan also the franchise was restricted Even after passing of Municipal Acts when the franchise was claimed to have been liberalised, the position did not materially change The transition from the forties to the fifties brought about a change in the procedure of Municipal elections With the integration of states, the Rajasthan Town Municipalities Act of 1951 introduced universal adult franchise in the newly constituted state of Rajasthan The election machinery was entrusted to the Directorate of Local bodies which was set up in 1950 The Act of 1951 was replaced by Rajasthan Municipalities Act of 1959 which provides for a uniform system of election throughout the state on the basis of adult suffrage

**The Election Procedure :**

Before elections are held, the area of a Municipality is delimited It means that for the purpose of election, a municipality is divided into as many wards as there are general seats [1] Each ward has an electoral roll which in effect is the same as that for the Legislative Assembly Not less than six months before the expiry of the term of office of its members, the Chairman/President has to intimate about the forthcoming elections to the state government Collector and the Director of Local Bodies [2] The official

1 *R M A 1959 Section 13*
2. *Ibid Section 4* (1)

notification is published in the gazette, announcing the date of general elections or by-elections.[3] A returning officer is appointed and public notice is given for inviting nomination papers. The final list of candidates, whose nomination papers are accepted, is then published, at least four days before the fixed date.[4] A candidate may withdraw by giving a notice in writing according to the procedure laid down for the purpose.[5]

All registered electors for the Assembly constituency falling within Municipal limits automatically form Municipal electorate. Only such persons are qualified to be chosen to fill a seat in a municipality as are electors from any ward, in the case of a general seat; in the case of reserved seat for scheduled castes and scheduled tribes, they ought to be members of that caste/tribe. The Act also details corrupt practices for purposes of municipal election. A petition might be submitted to the District Judge/Civil Judge as the case may be, questioning the election of a member. It may not be out of place here to state some important trends of electoral politics in the specific context of 1966 Municipal elections in Rajasthan.

(a) The average polling in this election has been 65% which is reported to be much higher than the polling in 1963 elections.

(b) The percentage of lady-voters (83%) had been higher than men-voters (79%) but the number of lady candidates decreased in this election.

(c) The opposition parties tried to combine together and formed united front against the Congress. The consequences had been that the number of straight fights between united front candidates and the Congress candidates had been the highest.

**Political Parties :**

Political parties play a key role in the public affairs. In recent years there has been a widespread opinion that political parties should not enter into local government. The entry of party politics in local affairs has an adverse impact on civic government and administration. Its key note is the subordination of interests of municipal administration to the party ends. It has a most deleterious effect on financial management and personnel administration. Frequently the dominant parties are so irreconcilably arrayed against each other that the municipal administration becomes a cock-pit of partisan wranglings.

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3. *R.M.A. 1959 Section 4 (2).*
4. *Ibid, Section 13.*
5. *Ibid, Section 15.*

On the other hand democracy cannot function without political parties coming into picture and that municipal government being the democratic link in the national body politics at the lowest rung cannot be visualised to be without the national political pattern reflected in it In developed countries, like U K, local-self-government elections are considered to be the barometers of national political climate

The problems of municipal administration cannot be fully solved unless there is a well equipped, determined and devoted leadership A good leadership could only be emerged when political parties participate directly or indirectly in the Municipal affairs In Rajasthan, the process of evolution of municipal institutions and political consciousness has been halting and slow In the absence of any substantial inroads of the national movement in the princely states, the political consciousness could not develop to the desired extent [6] In view of the restricted franchise and qualifications under the princely states, genuine leaders were either weeded out or reduced to the position of an ineffective minority During that period institutions such as the Marwar Hitkari Sabha, Rajasthan Madhya Bharat Sabha and several other institutions devoted to social, educational and cultural uplift of the masses were endeavouring to do some public service for getting seats in the Municipalities In Jodhpur state the Marwar Lok Parishad participated in Municipal elections and similarly in Bikaner state the Praja Mandal organisation brought up a few leaders to serve on Municipalities Consequently in Ajmer-Merwara also political overtones were seen in Municipal elections to begin with

Immediately after independence, the question of participation of political parties in Local affairs was discussed at length by the top leaders of the state Shri Hira Lal Shastri, Shri Manikya Lal Verma and Shri Gokul Bhai Bhatt were of the opinion that the political parties should keep their hands off municipalities On the other hand, Shri Jainarain Vyas believed that parties should not He held the view that urban areas had developed considerable political sense and consciousness and as such only parties were equipped with means and resources for cultivating the masses in the positive direction Besides, the emergence of so called, 'independent' councillors would inevitably lead to fragmentation and therefore, whatever be the pious hopes of some critics, he thought it inadvisable to have unpoliticised municipal units

Ultimately, it was finally decided by the Congress Party that Municipal elections and affairs should be kept off party lines But no other political party believed in such a self-imposed abrogation

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6 *Municipal Government in Rajasthan (Unpublished Ph, D thisis) Sharda Basrao, 1966, P 355*

Nevertheless, in practice, the government does not recognise the party bearings of municipal elections, but all parties except the Congress Party have contested municipal elections on party basis and their councillors make no secret of their political affiliations. The Congress too has had its informal linkage with municipalities in Rajasthan. The important parties which have direct or indirect interest in Municipal affairs are the Congress, Jansangh, Praja Socialist and the Swatantra. In the Municipal Elections of 1966, all the parties, except the congress have contested elections on party basis. But the results of the elections reveal that most of the municipalities have been captured by non-party candidates i. e. indepe-ndents. Swatantra and Jansangh were in the field and scored their success only in a few bigger municipalities. Whether this is a direct consequence of congress non-participation is difficult to say. However, this cannot necessarily be treated an indication of the popularity of the Congress. Once the Congress entered the field, it may then find that more people vote against it rather than for it. The decision of the Congress not to participate in the Municipal elections has thus not solved the riddle of the voting behaviour of the people, though it has certainly exposed the organisational and political weaknesses of the opposition parties except in one or two bigger sized urban strongholds.

**Municipal leadership :**

Municipal leadership, in princely states of Rajasthan was the exclusive domain of nominated officials to begin with and later on nominated non-officials. Education, age, experience and vocational denominations had very little to contribute to ushering in righttype of leadership. In the absence of sound political leadership, sometimes caste rivalries and communal estrangements became dominant. In some instances municipal leadership became the monopoly of a few families.[7] Thus a characteristic feature of the emerging leadership during this period was that the prospects and prestige of a councillor were directly connected with his social status. The business and landed property were vital factors. Continued interest in municipal affairs and the nursing of the constituency were also found to have received favourable public recognition.[8]

Till 1946, a few young men with sufficient education and business interests came up. However, their emergence was short-lived at municipal level, mainly because they found it more rewarding to take to state politics instead. Thus what the municipalities lost, the state level politics gained in terms of leadership. It was obvious, therefore, that such a state of affairs ultimately became a handicap to evolution of municipal leadership in Rajasthan. As a

7. *Sharda Basrao op. cit., p. 359.*
8. *Ibid, p. 360*

result of this, the municipal leadership continued to be colourless The trend seems to be that more councillors now come up from the middle class with business profession and from the age group below 40 years [9]

The obvious reason is that they are well educated and can manipulate municipal politics to suit their business interests But still by and large, municipal councillors are a tired lot They prefer to let things drag on taking only adequate care to postpone crises and ignore their obligations It is hoped with the growing politicisation of municipal government, a youthful, conscious and trained leadership would emerge to set matters right In the absence of ideological orientation, it is difficult to comprehend a sound municipal leadership, which can only be brought with the full recognition of political parties at municipal level

## PUBLIC PARTICIPATION AND URBAN COMMUNITY DEVELOPMENT

### The Citizen's role in Municipal Government

The working of the municipal government directly affects the life and activities of the people in several ways The local government provides public amenities and services which are necessary for the convenience healthful living and welfare of the individual and the community The efficient performance of municipal services also creates suitable conditions for the growth of trade and industry and of the city The Central and State Governments are remote from the people and their activities do not so much directly concern them in their day to day living An unrepaired pit in the road failure of water supply, break down in the sanitary services and choking of a sewer are not only sources of inconvenience, but can also seriously dislocate the social and economic life of the city It is, therefore, essential in the interest of the people that they should have continuous and abiding interest in the affairs of the local government

The efficiency and effective functioning of local bodies and the standard of services provided by them depend not only on the organisational procedures, financial capabilities tax administration and administrative and technical competence of the municipal personnel but also on the interest, understanding and co operation of the citizens Well informed citizens, conscious of their responsibility, can respond quickly to the steps taken for improving the services and promoting social and economic development and co-operate with the administration in its tasks Good leadership and

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9 *Ziauddin Khan 'Municipal Leadership in Rajasthan 1968 (Unpublished Report)*

enlightened participation of the people, civic pride and consciousness are the pre-requisites for building up a sound and responsible local administration.

## FACTORS HAMPERING PUBLIC PARTICIPATION

### (a) Apathy of the citizen

Much of the present weakness and incompetence of the local government is due to the apathy of the citizen. There is a general attitude of helplessness and indifference towards the defaults of municipal government, save when they affect individual interests. Few persons take pride in the functioning of civic authority. Instances are not wanting when enlightened and respectable person have declined to contest civic elections. It is complained that the management of municipal affairs is very much dominated by group and party politics. It is also alleged that the sanction of various development works is delayed because of the anxiety of the councillors to benefit sectional interests. The image of the local body in the public mind is that of inefficiency, mal-administration, delay and corruption. Such an image and the poor performance of functions by the local bodies have further accentuated the indifference of citizens towards the affairs of the local government.

### (b) Lack of social coherence in the urban community

The apathy and indifference of the residents of the cities are also largely due to the absence in them of a sense of belonging to the community. The heterogenous character of the urban community, seems to be responsible for such a feeling. The cities include a large number of rural migrants who are culturally and psychologically different from the rest of the urban population. The result is that these people do not easily get integrated into the urban community and become a part thereof. In the villages, there exists a community life but in the cities, there are no common interests among the people who have gone there from different parts of the country and have different customs and ways of living. Human relations in the cities are anonymous, superficial and transitory. There is the paradox of close physical contact and distant social relationship. There is the lack of social coherence and feeling of identification of interests among the urban dwellers. which prevents the growth of civic consciousness and the acceptance of civic responsibility in the majority of the people. There is also another factor which hampers the growth of public participation and working of the local authorities. It is the lack of education and awareness among the people that the institution of local body is meant to serve their own interests and needs and that any failure or shortcomings in its working would adversely affect them.

**Benefits of public participation**

The involvement of citizens in the affairs of the local body makes officers and elected councillors responsive of the needs and aspirations of the people. It makes them active and encourages them to give their best in the service of the people Decisions meant to benefit a handful of people or to serve individual interests are minimised Ultimately it ensures proper rendering of municipal services and prevents malingeriag on the part of the staff It identifies particular interests with those of the community, thus bringing about a feeling of coherence and belonging to it. The employees of the municipal body are no longer regarded as aliens but as instruments for the service of the community. It thus helps to minimise the misunderstanding which often results when people regard a body not as their own but as one with which they have only a distant relationship.

Citizen-participation can also make a worth whilecontribution in the economic and fiscal spheres. With the growth of identity of interests between the local body and the people, the citizens would not only appreciate the difficulties and problems of the local administration, but would also give their whole-hearted co operation Instead of depending on the local authorities for solution of even small problems, the people would take to doing these things themselves The self-help activities are a considerable addition to the building up of the social and economic infrastructure. A real and true association of the people with the local authority in self-help projects not only leads to greater economic development but also avoids waste through, for example, economising on the use of water, keeping rubbish in garbage cans and proper utilisation of different services rendered by rapid social changes, conflict of norms and values, lack of social individual sacrifice and social benefits providing an incentive for the release of energies to transform an economically stagnant society into a dynamic one.

**Building up public participation in a democracy**

The active participation of the citizens in the affairs of the local bodies is also essential for fostering democracy. The democratic system provides for the interplay of public opinion and enables the citizen to run his own affairs The system implies that the citizen will accept the duty of expressing his opinion. The whole question of representative government becomes academic if the average citizen is not aware of the civic problems and his own responsibility in solving them The desire of the citizen to have some say in local affairs creates enthusiasm and interest which ultimately pushes forward civic programmes and schemes of development Public participation makes the local government

aware of the local problems, which is so necessary before their solution can be found. It also ensures efficient and smooth implementation of the programmes. It is the constant discussion of the needs and problems of the community that would lead to the growth of interest in the functioning of local government, its difficulties and short-comings. The vitality of the local government depends upon the corporate community life and organised action, which in turn helps to build up leadership for taking up responsibilities at local, state and national levels. The late Prime Minister, Jawahar Lal Nehru, addressing the First Conference of Local Self-Government Ministers observed, "Local Self Government is and must be the basis of any true system of democracy. Democracy at the top may not be a success until you build this on the foundation from below."

The participation in democracy does not end with the people electing their representatives to run the municipal body. It is continuing process. Local authorities provide the greatest opportunity to the people to solve their problems and promote their social and economic development. Conditions have, therefore, to be created so that the people take greater interest in the affairs of the local bodies. As education spreads and standard of living improves, there would develop greater sense of civic responsibility and public participation. Meanwhile, concerted efforts would have to be made to build-up civic consciousness and public participation if an effective and efficient system of local government is to be ensured.

One of the ways of securing public participation is to make local bodies strong and efficient instruments for serving the people and meeting their requirements. The RURC (1966) have made recommendations affecting the organisational set-up, procedures, personnel and financial management of the local bodies. These recommendations when implemented will enable the local bodies to discharge their functions more efficiently and enhance their prestige. The Union and State Governments should also recognise the local authorities as their agencies for the execution of local plans in the various fields of social and economic development. Efforts in this direction would make the work of local bodies interesting and rewarding and attract enlightened and talented people to undertake the responsibility of running the municipal administration.

**Role of political parties**

Municipal utilities, sanitation, public health and provision of various other amenities are meant for the convenience and well-being of all citizens and should not be matters of political controversy. The RURC are of the view that most of the local bodies in India are torn by party factions and do not fully devote

their time and energy to serving the people It seems, therefore, necessary to rid the local authorities of party factions and sectional or group interests It has been often suggested that with a view to eradicate party politics, local elections should not be fought on party labels When civic elections are fought on party lines, the local problems get involved in the state and national politics and are relegated to the background. In the United States, there is quite a wide-spread practice of non-partisan elections to local bodies In India also, the RURC have noted a trend that more and more independent candidates get elected to local authorities They, often however, join one or the other political party, with a view to consolidate their position Under these circumstances, it is doubtful whether banning of elections on party lines would at all help in achieving the objective Attempts have been made to keep party politics out of the Panchayati Raj institutions though without much success. Any attempt to exclude political parties from the arena of local affairs is likely to end in failure The alternative is that political parties should play an important role in building up public participation They can arouse the enthusiasm and enlist the support of the electorate on the basis of integrated civic programmes of improvement and development. Such an action on their part would enable them to counteract the baneful effects of caste, religion and sectional interests It may also be useful to develop a convention that the political parties adopt election manifestoes which should be concerned primarily with the provision and improvement of city services At the same time, persons without party labels but otherwise considered deserving, honest and useful should be encouraged to join the local bodies

**Equipping local leadership :**

Thepleaders of the local community have a very important role to alay in stimulating effective public participation This calls for r thorough and intelligent appreciation and understanding of the p oblems of local administration and urban development At present, the representatives of the people are hardly well equipped for building up public participation There must, therefore, be adequate opportunities for mutual discussion and exchange of views among the members for shaping the policies of the local administration The holding of orientation courses, seminars and conferences of the representatives of local bodies would prove useful in this direction

**Role of Unions of Local Bodies**

The RURC gave thought to the question whether Regional and State associations or unions of local bodies would be helpful in promoting wide understanding of municipal problems.

They are of the view that these unions not only provide a forum for mutual discussion and exchange of views on the common problems in the various states but can also suggest measures for reforming the local administration. They educate the members and citizens in general by higlighting urban problems and urge upon the Central and State Governments to undertake administrative and legislative action. Such unions exist in the Netherlands, the U. K. and the U. S. A. Associations of municipal authorities in these countries organise studies, publish papers and bulletins of interest to municipal bodies and provide expert advice on various financial and technical problems. In India, the All India Institute of Local Self Government at Bombay has been doing research in the matters of urban local administration. It publishes journals and bulletins pertaining to the problems of local bodies and organises seminars. In Rajasthan, an association of municipalities organise seminars of officials and non-officials and publish a monthly journal. The Standing Committee of Local Bodies in Punjab is also organising similar activities. The efforts of these associations have led to various reforms in the municipal administration and have helped to improve the management of municipal activities. These unions have also aroused interest in the activities of local bodies. The R U R C recommended that the other State Governments should also encourage organisations of municipal bodies for promoting understanding and study of the problems of urban administration. The Committee also recommended that an All India Union of Local bodies should be established.

**Role of Voluntary Organisations**

Local voluntary organisations can be very helpful in mobilising popular support and assistance of the people in the activities of a local body. It is possible to maintain constant and close contact with the people through these organisations. The formation of a network of local orgnisations, neighbourhood and mohalla committees and citizens forums would be useful in mobilising public participation. The municipal councils should also organise their public relations work in an intelligent and effective manner. Local bodies should impart information, highlight the good features of the city administration, explain the problems of the municipal body and its implications on the life of the city and emphasise the role of citizens. This can be done by organising mass social education, civic campaigns, exhibitions and by publishing publicity leaflets and pamphlets depicting the various programmes of civic development and community welfare. ( Publication of municipal gazette, periodicals and journals giving the local news and activities of the local bodies and intensive propaganda about the schemes of development and improvement undertaken by the municipal bodies will be positive steps towards development of active citizen participation. )

**Need for corporate action and citizen participation**

The staggering human problems of the cities appear to be too enormous for the local bodies to understand and solve them. Governmental resources also seem to be inadequate to cope with such problems as social disorganisation and maladjustment, juvenile delinquency, prostitution, etc The citizens themselves will have to understand their responsibilities and duties and solve the problems of urban living by actively associating themselves with the machinery of the local bodies and government So many and so varied are the interests, needs and aspirations of the urban people that the only way in which this potential force can be made effective is through corporate action, organised and directed by the people themselves and reinforced by all technical and administrative advice and services required by a particular situation The *immediate problem is to enable the people to recogni e and determine* their needs in terms which will facilitate the attainment of desired objectives. Many of these needs are only vaguely felt and the misery and squalor of the urban life is tacitly accepted Improvement in living conditions and healtheir and more comfortable existence cannot be acheived by an apathetic and inarticulate collection of individuals The people themselves must be conscious of the need to improve conditions of living and be prepared to exercise their own initiative in planning and carrying out projects and programmes

A solution which will affect tens of millions of urban dwellers would require an all round attack at the national, state and municipal levels. A piecemeal approach would not do The programmes of local bodies must be coordinated with the plans of the State Government and the national policies Solutions must be found to deal with physical planning, public utilities and other amenities for the urban way of life A programme of Urban Community Development which addresses itself directly to the people would encourage citizen participation and the assumption of greater initiative by them for making desired changes

**Urban Community Development—the concept**

Urban Community Development like the Rural Community Development would need a planned programme focussed on the community's total needs, with major emphasis on self-help and community participation, assisted by the specialists or technical experts of the Government and other agencies A U. N. Report[10] defines the Community Development as follows —

"The term 'community development' has come into international usage to connote the process by which efforts

10. *United Nations Community Development and Related Services 1963.*

of the people themselves are united with those of governmental authorities to improve the economic, social and cultural conditions of communities, to integrate these communities into the life of the nation, and to enable them to contribute fully to national progress.

This complex of processes is then made up to two essential elements, the participation by the people themselves in efforts to improve their level of living with as much reliance as possible on their own initiative, and the provision of technical and other services in ways which encourage initiative, self-help and mutual help and make these more effective. It is expresed in programmes designed to achieve a wide variety of specific improvements."

The content, nature and approach of the programme of Urban Community Development, has, however, to be different from that in the rural areas. The rural community is homogeneous having identity of interests. Its social and cultural life is largely conditioned by customs and traditions. Unlike the rural community the urban population has no sense of belonging to the community. The urban way of life is characterised by rapid social changes, conflict of norms and values, lack of social cohesion and weakened family structure. The rural migrants are confronted by the problems of adjustment with the urban way of life. Besides these special problems, the urban areas are characterised by problems involving physical decadence, slums and environmental blight, sanitation and health.

**Interim report on Urban Community Development**

The Committee were required to submit an interim report on the programme of Urban Community Development so that it could be undertaken in the Third Plan period. The report of the Committee was submitted in November, 1963. The interim report laid down the objectives of Urban Community Development as follows :—

(a) creating a sense of social coherence on a neighbourhood basis through corporate civic action and promoting sense of national integration;

(b) developing a sense of belonging to the urban community through increased participation of people in community affairs and creating a way of thinking which concentrates first on solving problems with their own initiative, organisation, self-help and mutual aid;

(c) bringing about a change in attitudes by creating civic consciousness and by motivating people to improve their

conditions of life particularly those affecting social and physical environment,

(d) developing local initiative and identifying and training of local leaders, and

(e) ensuring fuller utilisation of technical and welfare services by helping the community to locate what help can be had from the municipality or other organisations and how to get it, and what assistance and guidance can be obtained from governmental and higher authorities and how to approach them.

The scheme was examined by the Ministry of Health and the Planning Commission and accepted with minor changes It has been decided to undertake 20 pilot projects in the different parts of the country on the basis of a 50 per cent contribution from the Centre As the U C D. Programme has started in some places only recently and in others it is yet to start a bench mark survey should be made in a few areas at the appropriate time. The RURC have suggested that the expansion of the programme should be taken up if and when warranted by the results of future surveys and evaluation.

The Committee also emphasised that the programme is primarily "People centred" aiming at organising the people for corporate community action. The emphasis is primarily on the change in the attitudes and motivation of the people and the community rather than on social welfare. The object is not so much to take social service to the under privileged as to evoke in them a desire for self-reliance It is educational in so far as the aim is to promote conditions conducive to social and economic improvement. It is organisational because it seeks to bring people to pursue common objectives by requiring, where necessary, reorientation of existing institutions and the creation of new ones to make self-help more effective. The programme depends for its success on the emergence and training of local leaders who may help infuse into city administration a new influence that will be constructive and attuned to the needs and feelings of the community.

## CHAPTER IX

# URBAN IMPROVEMENT TRUSTS-ORGANISATION AND WORKING

Urbanisation has become one of the most baffling problems besetting the modern society with all its vitiating effects and ugly consequences. This has come to be a characteristic feature of all the modern societies in the sense that both the developed and developing countries face more or less the same problems and turmoils in the process of urbanisation and urban development. There are two main causes of urban growth, the 'push factors' and 'pull factors'. Push factors relate to population pressures and to unsatisfactory living conditions in rural areas. Pull factors include employment opportunities in urban areas, the better services available in towns and certain attractions of life in cities. Besides, plans for economic development in the region have given a tremendous impetus to urbanisation [1] In the context of ever rising problems, administrative, political, economical and sociological, planned and organised development of urban centres threatens to be a serious concern. While the effect of urbanisation has become a ticklish riddle to the sociologists, the planning and financing of urban development schemes has mainly confounded the planners, administrators and economists.

For tackling the problem of planned development of urban areas, various efforts have been made through establishment of various kinds of institutional devices like Municipalities, Urban Development Boards, Town Planning Boards etc. each functioning independently of the other.

Traditionally, municipalities have come to be known as the main agencies for the improvement of urban areas under their jurisdiction including housing, construction of roads, water supply, drainage and electricity. With the growing size of urban

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1. *Public Administration : Problems of New Rapidly growing Towns in Asia-U. N., New York, 1962 p. 3.*

areas and rapid urbanisation, the municipalities have found it difficult to bear the burden of urban improvement mainly for two reasons: (i) the municipal authorities have neither the necessary administrative machinery nor resources to keep pace with the rapid urban growth, and (ii) the rules and bye-laws of the municipalities have also stood in the way of shouldering responsibilities attached to these developmental activities. It has become necessary, therefore, to transfer these functions to some other agency. Therefore, the attempts to town-development have come in the form of Improvement Trusts that were established under special enactments to carry out limited functions and prepare improvement schemes which indicate use and reuse of land including land acquisition, redevelopment and disposal.

In Jaipur, during the princely regime, this function was allotted to the City Improvement Committee ( 1935 ). Later this committee was abolished giving place to Urban Improvement Board ( 1953 ). The Improvement Trust was actually estab'ished in December 1960 by the Rajasthan Urban Improvement Act of 1959. There are Improvement Trusts for Jaipur and some other urban areas in Rajasthan like Jodhpur, Udaipur, Bharatpur, Ajmer, Bikaner, Alwar etc. The area of Jaipur Improvement Trust is coterminus with the limits of Jaipur Municipality. Under the Act[2] the Trust was entrusted with the following main functions :

( i ) Formulation of schemes after acquiring land;

( ii ) Sub-division, reconstitution and improvement of plots;

(iii) Sale of plots either on the basis of 'first come first' service or auction;

(iv) Approval of building plans in accordance with bye-laws for the purpose of construction of buildings by allottees;

( v ) Issue of patta; and

( vi ) Removal of encroachment on lands.

The main function of the Trust being the formulation and execution of schemes and approval of building plans, the major portion of the work can be considered as one of the engineering operations. Unlike Bihar and Orissa, the Rajasthan Town Improvement Act separates the functions of Town Planning and Improvement Trust with the result that the power of preparing

2. *Rajasthan, Urban Improvement Act, 1959.*

master plans rests with the Chief Town Planner while their enforcement and implementation is entrusted to the Trust. It results in the delay of the improvement schemes.

The purpose of this chapter is to study some of the problems faced by the Improvement Trust, Jaipur. The Trust is faced with the problems in the sphere of restricted functional autonomy, inadequate delegation of powers, delay in land acquisition, problems relating to unauthorised cons-truction and encroachment and certain other aspects affecting its general functioning As a result-of these problems the Trust iszfacing a number of difficulties in playing its role in urban development as envisaged inithe Act. The entire problem can be studied under the following aspects:

( i ) Organisation

( ii ) Planning and execution of schemes;

(iii) Acquisition and sale of land;

(iv) Problems relating to unauthorised construction and encroachment;

( v ) Financial management; and

(vi) Personnel management.

**Organisation :**

The Trust is purely a nominated body consisting[3] of a Chairman nominated by the Government, two members nominated by the Municipal Council, three members nominated by the Government, and the Collector and the Chief Town Planner, Government of Rajasthan are ex-officio members of the Trust. The Trust may set up one or more committees[4] to look after the detailed working or any specified aspect of the various schemes of the Trust. At present, the Trust is assisted in its functioning by two committees: (a) Technical Committee; and (b) Legal Committee.

**(a) Technical Committee**

This Committee consists of the following members:

(a) Additional Chief Engineer, Building and Roads, Government of Rajasthan;

(b) Chief Town Planner, Government of Rajasthan

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3. *Rajasthan Urban Improvement Trust Act, 1959.*
4. *Ibid, Section 20.*

(c) Executive Engineer, Improvement Trust, and

(d) Municipal Engineer, Jaipur Municipal Council.

The function of this Committee is to provide technical expertise for the selection of sites, scrutiny of tenders and other allied matters The Committee usually meets once in three months.

**(b) Legal Committee**

The Act limits the maximum strength of the committee to three The Committee consists of Chairman of the Trust, one member of the Trust, and the Municipal Commissioner, Jaipur This Committee looks into the legal points involved in cases filed by and against the Trust

Although the Chairman is the head of the Trust, so far as day-to-day work is concerned the Secretary is for all practical purposes, the executive head of the administration An Executive Engineer assisted by two Assistant Engineers and Section Officers deals with all items of engineering There is also an Assistant Accounts Officer, who deals with the preparation of budget, financial scrutiny of schemes, scrutiny and payment of all bills and maintenance of accounts The Trust has also an Encroachment Officer assisted by two inspectors for dealing with all unauthorised encroachment cases, and a part time Legal Adviser to assist the Trust in legal matters and cases filed by and against it

During the study it was suggested that the term of the members as well as of the Chairman should be increased to ensure proper implementation of policies of the Trust framed by them Usually, it has been experienced that a policy framed by the Trustees is not implemented, after the expiry of their term, by the new trustees And secondly, its membership should be increased by giving representation to the P W D , Electricity and other allied departments to ensure constant and timely co-ordination between the Trust and the said departments

**The working apparatus**

For the fulfilment of its obligations, the office of the Trust works through four sections These are : ( i ) General Section, ( ii ) Accounts Section, ( iii ) Engineering Section and ( iv ) Encroachment and Legal Section.

**( i ) General Section**

This section functions as a co ordinating unit in respect of other sections in addition to its own work In fact the main

secretarial work of the Trust is transacted through this section. There are a large number of files bundled up and tied in pieces of cloth. The files are not accounted for, therby making it difficult for the dealing assistants to locate them. It was seen that most of the time of assistants is wasted in looking for the files and quite a large number of people crowd in the office during office hours seeking information about their applictaions for allotment, or other miscellaneous matters. This leaves the office superintendent and assistants little time to their normal work It also seriously affects the decorum and discipline in the office. Therefore, an Assistant-Secretary-cum-public Relations Officer should be appointed in the Trust. The appointment of this officer will have two fold effects :

(a) The Secretary, who is pestered by a large number of visitors and by telephone calls, will get relief and will thus be able to devote more attention to important matters;

(b) The Superintendent and other assistants in the section will be able to devote undisturbed time to their normal duties. On the whole the present general section is unwieldy and the Superintendent is unable to have effective supervision over it. Therefore, this section may be divided into four sub-sections, *i. e.* General and Establishment Section, Scheme Section, Allotment Section, and Legal Section.

**(ii) Accounts Section**

This section is headed by an Assistant Accounts Officer and deals with the maintenance of accounts. It keeps the records of dues of Nazrana and Urban assessment and prepares the budget with the collaboration of general and engineering sections.

**(iii) Engineering Section**

This section is headed by the Executive Engineer and forms one of the most important units in the Trust. It deals with the demarcation of plots at their sites and approves them, looks after the construction of buildings on the Trust land, prepares the estimates of the expenditure on the development of land, and, takes the decision to convert an area into one to be used for residential or commercial purpose.

It was seen that in the Drawing Branch, the plans of the various schemes are not maintained properly and some of them are kept on tops of almirahs, open racks etc. They should be arranged neatly and kept preferably in steel almirahs as they form permanent records of the Trust,

**(iv) Encroachment Section**

This section is headed by an Encroachment Officer cum-Tehsildar. This Officer has some magisterial powers to take the quick decisions and control the protest. The main activity of this section is to deal with the cases of encroachment on the land of Trust.

**(v) Legal Section**

This section is headed by a part-time prosecutor. There are 1266 cases under Land Acquisition proceedings, 57 civil suits and 2 under section 91 of the Rajasthan Urban Improvement Act. In view of the large number of cases pending (and this feature is likely to continue), there should be a separate legal section for the efficient and expeditious disposal of cases. The Trust needs a full-time legal adviser instead of a part-time public prosecutor.

The Trust, though an autonomous body, has limited freedom in the formulation of schemes, and every scheme requires approval of the government. The power to fix strength and increase posts also requires government approval. The Chairman of the Trust and other officers have in fact no administrative or financial powers and, whatever they have, are inadequate to enable expeditious despatch of work.

**Planning and Execution**

The Executive Engineer is entrusted with the work of formulation and execution of schemes. The main stages involved in the scheme are as follows :—

( i ) Selection of site and acquisition of land,

( ii ) The site with the rough plan is required to be approved by the Chief Planner and Architect from the architectural point of view,

( iii ) On approval by the Chief Town Planner, detailed plans and estimates are prepared for technical sanction by the Technical Committee and the Trust,

( iv ) Administrative approval of the government for the scheme,

( v ) Invitation of tenders,

( vi ) Scrutiny and acceptance of tenders,

( vii ) Entrusting the work to the contractors on payment of required security deposit.

viii. Consideration of extra items and extension of time required by the contractor, and

ix. Completion of work and payment of final bill.

(a) The delay is relatively less where government land is given to the Trust for the schemes. Considerable delay occurs when private land is to be acquired.

(b) The plans and estimates are prepared by the Executive Engineer, but he has no power to accord technical sanction to ensure that the plans and estimates are technically sound. The Chairman of the Trust has powers to accord technical and administrative sanction upto Rs. 5,000/-. Proposals for sanction above this limit, are first placed before the technical committee for advice and then are submitted to the Trust for final sanction.

It was seen that the present procedure is dilatory in as much as the plans and estimates have to be approved by the technical committee and then the trust. Since the trust does not meet quite often and the meeting depends upon sufficient items on the agenda, delay takes place. In the meanwhile, prices of materials are bound to increase day by day. As a result of delay of about a month or two increases the cost of work. The contractors quota substantially increased rates having regard to the market rates prevailing over the schedule of rates. In view of this, it may be suggested that the Chairman should have the powers to accord technical sanction and administrative approval upto Rs. 20,000/-. The Executive Engineer should be empowered by the Chairman to accord technical sanction upto Rs. 20,000/- after the scheme is approved by the Chairman.

**Approval of schemes by the government**

When a scheme is finalised by the Trust, it is first sent to the Government[5] for notifying it in the Gazette. It takes sometime one to two months to publish the same. It may be possible to avoid this delay if these notifications are published in an extra-ordinary Gazette.

Time limit of six months[6] is permissible for the trust to obtain government approval from the date of notification in the Gazette. It was seen that in 90% of the cases, the Trust was not able to approach the government for sanction within the period of six months as required. The Trust finds it difficult to adhere to this time limit, necessitating further extension of time. It is

5. *Urban Improvement Act, 1959, Section 32.*

suggested that the period of six months now allowed may be extended to a further period of three months.

The procedure for sanction of schemes at government level is also dilatory. It is processed in the Secretariat as follows[7] :

(i) The office scrutinises the scheme and submits the paper to the section officer,

(ii) The section officer submits it to the Deputy Secretary who in turn sends it to the Secretary.

(iii) Thereafter the Secretary submits it to the Minister.

After the scheme is approved by the Minister, it is placed before the Price Fixation Committee consisting of Minister-incharge, Collector of the district, Chairman of the Improvement Trust and Deputy Secretary Finance Department, Secretary Town Planning Department and Chief Town Planner. At present, this committee meets every three months It is here that delay takes place It is suggested that this meeting may be held once in a month. This will reduce delay in obtaining the government sanction to some extent It will not be an exaggeration to say that from the framing of scheme right upto the execution and completion, the period involved is two to three years. It is necessary to point out here that the term of the Trust is three years. It is therefore considered whether the Trust can be empowered to sanction certain schemes at its level without going to the government and therefore, it is suggested that the Trust may be empowered to approve schemes at its level involving an expenditure upto Rs. 1,00,000/-.

**Invitation of tenders**

Tenders are invited by the Executive Engineer but he has no powers to accept them. When tenders are received, a comparative statement is prepared by the Executive Engineer and it is placed before the technical committee The sanction of the technical committee takes time and in the meanwhile the cost of the work mounts up In view of this, it is suggested that the Executive Engineer of the Trust should be empowered to accept tenders upto Rs. 10,000/ and that those above this limit should be placed before the technical committee for advice and to the Trust for sanction The Chairman should be authorised to accept tenders upto Rs. 20,000/-.

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6. *Urban Improvement Act, Section-38.*

7. *Ibid, Section 32-33.*

**Acceptance of Earnest Money Deposit**

At present, earnest money deposit is accepted in cash or cheque from the contractor. This procedure leads to some unnecessary work as cash has to be accounted for and, later, steps have to be taken to refund the deposit to the unsuccessful tenders. In this the P.W.D. system should be adopted, where earnest money is accepted in the shape of Deposit receipt-at-call. This avoids a lot of clerical work.

**Power to approve excess over sanctioned estimates**

It is common experience that due to market rates going up as a result of the interval between the date of technical sanction and the actual execution of the schemes, the sanctioned estimates go far away from the realities of the situation. In such cases the revised approval of the government is necessary if the revised cost exceeds the sanctioned estimate by 5% or Rs. 50,000/- whichever is less, For the rest, the approval of the Trust is necessary. Therefore the Chairman should be authorised to approve excess over the sanctioned estimates upto 5%, the Trust, upto 10% and beyond 10% the approval of the government should be obtained.

A number of extra items crop up during the execution stage, partly due to their not being considered at the time of formulating the scheme or due to their necessity being felt during the progress of work. The Chairman sanctions extra items upto Rs. 1000/- and those above this limit are placed before the technical committee and the Trust for approval. In this respect it would be more convenient if the Chairman is given the powers to sanction extra items upto Rs. 3,000/- instead of Rs. 1000/-.

Similarly, it has been experienced that often contractors ask for extension of time beyond the date mentioned in the contract agreement for completion of work. Neither the Chairman nor the Executive Engineer has now any powers to grant this extension. Therefore, it is suggested that the powers to accord extension of time should be delegated upto 6 months to the Chairman and upto 3 months to the Executive Engineer and beyond a period of 6 months the technical committee and the Trust should be empowered to sanction extension.

**Approval of the building plan before the applicant is authorised to construct a building.**

Once a particular piece of land or plot is allotted to an individual, he is required to construct building thereon within a period of three years from the date of allotment. The applicant is required to send an application to the Trust of the building plan for approval. The stages involved are as follows:

( i ) The applicant sends the application with six copies of the plan for approval

(ii) The application is processed in the General Section and then sent to the Accounts Section to communicate to the General Section for arrears of Nazrana and the urban assessment and other dues outstanding against the applicant,

(iii) The party is asked to pay the arrears, if any,

(iv) Thereafter the papers are sent to the Engineering Section for further action,

(v) The Assistant Engineer sends the plan to the Draftsman to see whether the plan is in accordance with the bye-laws of construction,

(vi) The Draftsman submits his report to the Assistant Engineer,

(vii) The Assistant Engineer after scrutiny sends the papers to the Executive Engineer,

(viii) After approval by the Executive Engineer the plans are sent to the Municipal Commissioner for grant of building permission under intimation to the applicant

It can be seen from the above procedure that it is very dilatory and usually the permission is granted in three to four months It is necessary to reduce the delay in the approval of the building plans. Therefore, it is suggested that :

( i ) Once the Assistant Engineer has approved of the plan, such cases need not be submitted to the Executive Engineer This will give some relief to the Executive Engineer and avoid delay Only cases where the plan is not in accordance with the bye laws may be submitted to the Executive Engineer.

(ii) In the case of permission issued by the municipality, it is granted within a period of one month If it is not granted within a month, the applicant can go ahead with the construction work It is also necessary to describe a time limit in the case of approval of building plan by the Trust by making the same provision in the Act. In no case, the period of approval should exceed three months.

(iii) The present bye-laws were framed three decades ago and are not in keeping with the advanced techniques of engineering Therefore, it is necessary to revise the bye-laws and also to have individual bye-laws in future for

each new scheme. This will simplify the work of approval of plans submitted by the party and will also reduce the number of cases of unauthorised construction which are likely to arise due to the failure to communicate approval in time.

**Acquisition and Sale of Land.**

The main objective of an Urban Improvement Trust is to improve and develop the city. As such, Nazul land falling within the municipal area was placed at the disposal of the Improvement Trust by the Government. The limited Nazul land within Municipality is likely to be exhausted soon. Therefore, the Trust has to acquire private land with the help of the land acquisition collector. In Jaipur, all powers of the land acquisition collector have been delegated to the land acquistion officer. The stages involved in the process are as follows:

( i ) Under the Rajasthan Land Acquisition Act, the Govern ment issue order directing the Collector to acquire the land for local bodies. At first the government issue notification intimating that certain areas are likely to be required for public purpose.

(ii) The Land Acquisition Officers, hear, objections[8] from the parties against the said notification and sends a report to the Government.

(iii) After due consideration of the Land Acquisition Officer's report the Government issue a notification [9] declaring that the said land is required for public purpose.

(iv) Then, the Collector issues a notification, hears and records evidence of claimants and opposite parties.

( v ) Then award is given to the claimants.[10]

According to the existing rules, an award must be given within six months from the date of notification to the parties claiming compensation. [11] This time limit has not been observed so far and it has practically not been possible in most cases to complete all the formalities within this time. There has been delay in all the cases and at all stages. It is due to:—

( i ) Orders issued by Government staying land acquisition proceedings;

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8. *Rajasthan Land Acquisition Act, Section 4.*
9. *Ibid., Section, 5.*
10. *Ibid., Section, 6.*
11. *Ibid , Section, 11 & 9 (2).*

(ii) Want of site plans and survey reports estimates;

(iii) Adjournments obtained by the claimants and interested parties,

(iv) Too many stages involved in the process of acquiring land,

(v) Sometimes the parties may not be satisfied with the compensation fixed by the Government and hence delay occurs

The following steps may minimise delay in this process

(i) Land Acquisition proceedings should be started after the schemes have been framed and site plans prepared. The master-plan should be made ready without delay

(ii) The Survey work should be undertaken by the staff of Improvement Trust by obtaining a copy of the relevant supplement record from the Tehsildar's office and consulting the Tehsildar, if necessary

(iii) There should be a separate Land Acquisition Cell in Improvement Trust Office to deal with Land Acquisition cases The part time legal adviser should be attached to this cell

(iv) At present, there is no time limit for issue of declaration after issue of notice. Therefore, there should be a suitable provision under the rules for communicating government decision in this respect within a specified time.

(v) On several occasions, there is delay in the publication of notices by the government It is, therefore, suggested that Land Acquisition notices should be printed in extraordinary Gazette issue where such delay is apprehended

(vi) In order to have better co ordination between the offices of the Improvement Trust and the Land Acquisition and to bring out expeditious disposal of cases it is suggested that a quarterly co-ordination meeting should be arranged among

(a) Secretary Improvement Trust,
(b) Executive Engineer, Improvement Trust,
(c) Land Acquisition Officer, and
(d) Tehsildar

**Sale and allotment of land**

After finalization of the Land Acquisition Proceedings the Trust gets possession of the land and proceeds to divide the land

into plots for residential or commercial purposes. The reserve price of the land is decided by a committee set up by the government and order fixing the reserve price is issued at the government level.

The plots are distributed either by allotment on 'first come first service' basis or by auction. Recently, the Government have issued orders that land should be distributed by lottery system. Usually small plots of land are distributed by allotment and these are restricted to:

( i ) Scheduled castes and scheduled tribes;
( ii ) People with monthly income upto Rs. 250/—
( iii) People with monthly income exceeding Rs. 250/- and below Rs. 400/-

The price of the land distributed by allotment is expected to be deposited with the Trust within one month from the date of allotment. Plots are sold by auction to people of all categories. The distribution of plots by auction should be made strictly on the income basis giving equal opportunities to different income groups. Plots should not be sold to the public till developmental work such as laying of water pipes and electric lines etc. are completed. This would enable the Trust to fetch better price for plots,

**Problems of unauthorised construction and encroachment**

(a) Unauthorised construction

There are number of unauthorised constructions of buildings on Trust land and the problem has assumed considerable importance in view of the difficulties experienced by the Trust in taking timely action either to prevent them or to demolish them.

At present the powers under the Rajasthan Municipalitiet Act of 1959[12] are delegated to the Trust for dealing with cases of unauthorised construction on Trust and Nazul land. But the Truss has no delegated authority under this section of the Act to proceed against unauthorised construction on private lands. It has, therefore, to take recourse to section 91 of the Rajasthan Urban Improvement Act through a Magistrate. This involves delay and in the meanwhile the party succeeds in completing the building. This not only leads to unplanned development of the area but also enhances the value of the private lands when the Trust proposes to acquire them.

At present the following agencies are controlling the area within the jurisdiction of the Trust :

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*12. Urban Improvement Act, 1959, Sections 90 & 91.*

1. The Trust,
2. The Municipality,
3. The Revenue Department,
4. The Forest Department, and
5. The Mines Department

This multiplicity of authorities leads to confusion and consequent delay with the result that the man putting up an unauthorised construction escapes unpunished With a view to obviating the difficulty, it would be proper if the Trust is entrusted with authority to proceed against such unauthorised construction It has also to be ensured that legal action under the Act is taken expeditiously to prevent unauthorised construction in time without allowing the construction to rise up Otherwise the problem of demolishing the oonstruction would not only be difficult but would also become a national waste If the approval of the Trust is to be taken for launching prosecution against unauthorised construction in every case it would involve delay and defeat the very purpose of the Act itself. Under the Act[13] the Chairman can (a) institute, defend or withdraw from legal proceedings under this Act, (b) Compound any offence against this act, and (c) Admit compromise or withdraw any claim made under this Act.

The act only says 'subject to control of the Trust' It does not appear that prior approval of the Trust is necessary for the Chairman to take action on (a), (b), and (c) referred to above. At present also, the Chairman is exercising the powers under (b) without the prior permission of the Trust It appears, therefore, that there cannot be any difficulty for the Chairman to exercise the powers under (a) above without prior approval of the Trust, to ensure timely action to prevent unauthorised construction The legal aspect of this question has got to be examined

**(b) Encroachments**

In the court of the Encroachment Officer, 743 cases[14] of encroachment were carried over in the beignning of the year 1966 and upto the end of the year 186 cases have been disposed of leaving a balance of 557 cases Of the 186 disposals, 80 cases have been executed and the encroachments removed This cannot be treated as a problem of figures but a human problem The encroachers who are landless, after eviction from one land invariably

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13 *Urban Improvemnt Act, 1959, Section 96.*

14. *Dhariwal, Tej Ram. Urban Improvement Trust, Jaipur, M A dissertation, 1969.*

migrate to other areas and encroach, and this process goes on repeating. A long term solution to the problem has, therefore, to be found out. The encroachment on land can be classified under the following three heads:

( i ) Encroachments by those who are poor and who cannot afford to pay any price for purchase of land but are in dire need of living space;

(ii) Encroachment by lower middle income class who cannot compete in auction for purchase of lands at the exhorbi tant ratesat which they are sold; and

(iii) Encroachments by middle income class who can afford to pay a reasonable price but cannot compete with the rich. This is a socio-economic problem prevailing in big cities where there is dearth of space for residential accomodation and needs to be tackled with sympathy and understanding. As regards category (i) who are essentially Katchi Basti dwellers, the only solution appears to be to recognise their present possession or provide them with alternative accommodation and thereby minimise the chances of their further encroachment on land. As regards category (ii) the poblem can be solved by reserving in each scheme a larger number of plots for the people of the low income group and alloting them on rental basis. As regards category (iii) plots should be allotted in large number by raising the ceiling of income for allotment from Rs. 400/- to Rs. 800/- per month if necessary at double the rate. It is hoped that these measures may solve, to a great extent, the problem of encroachment.

**Financial implications of schemes**

It was seen that when schemes are finalised, the Assistant Accounts Officer is rarely associated with their financial aspect. Therefore, it is suggested that all schemes formulated by the engineering section should be sent to the Accounts Officer so that he is aware of the financial implications involved.

**Preparation of bills of Contractors**

Payment to the contractor is made on the basis of measurements recorded by the section officer and subjected to 10% checked by the Assistant Engineer and 5% checked by the Executive Engineer. The bills are prepared on the basis of schedule (G) in the contract documents. It was seen that the full nomenclature of the items as in schedule 'G' is copied while preparing the bill. Therefore, the serial number of schedule 'G' only may be indicated while preparing the bill. This will reduce some work involved in the preparation of bills.

**Repayment of loans**

The Trust gets loans from government for the purpose of financing its schemes These loans are repayable after a certain period on the prescribed terms and conditions It may be worthwhile considering whether a separate sinking and depreciation fund could be established to ensure repayment of loans on due date.

**The personnel management**

The successful and effective execution of the schemes and policies depends by and large on the quality of the service. The recruitment, placement, promotion and disciplinary control of the services, therefore, assume great importance and should be governed by sound principles of personnel management The Trust has no service rules, recruitment rules and manual of office procedure The officers and staff of the Trust belong to three categories.

( i ) Those who are borne on the workcharged establishment,

(ii) Those who are directly recruited by the Trust and borne on regular establishment, and

(iii) Those who are on deputation from the State Government.

As regards category (i) it is pointed out that employment of workcharged staff for ministerial work is not conducive to efficiency. They cannot have interest in the organisation They serve as this is only a temporary job and they always wait for better openings elsewhere Besides, with two categories of staff *i e* regular and workcharged with different status and scope, working side by side leads to complexes. Moreover, workcharged staff are apt to be ill-equipped for ministerial jobs since they are recruited not under normal recruitment procedure.

It would be advantageous if these workcharged employees are replaced by regular employees by creating posts under regular establishment for the purpose.

As regards, category (ii) and (iii) referred to above, an important question arises for consideration While it cannot be gainsaid that an organisation in its initial stages should be manned by experienced personnels drawn from Government Departments, it should be possible to replace them by the staff directly recruited by the Trust when the latter gains enough experience in course of time Otherwise the presence of the deputationists in the organisation will be a permanent bar on the vertical mobility of its own employees The Trust must look into this aspect and arrange for planned training for its employees so that in course of time they can replace the deputationists without dislocation of work

Inspite of all shortcomings the Trust has done a lot in the development of the city and is clearing the slums and other

encroachments. But the delay appears to be inevitable because sometimes the co-operation of the various departments engaged in city development such as Planning-Board, P.W.D., Town Planner, Municipal Council and the Government is not forthcoming to the desired extent. Therefore, a single Board or Committee consisting of various representatives of the above mentioned departments may be suggested rather than multifarious Boards for the planning and execution of works pertaining to urban development. There should be more and more intra-departmental and inter-departmental communication and co-ordination between various governmental and other organisations engaged in city development to enable quick decision, purposive action and efficient execution of works connected with urban development.

Rules and regulations made to control and regulate various aspects of city development have been generally thrown into cold storage because of political pressures, local influence and vested interests. Every step is to be taken to see that these rules are strictly observed and effectively enforced in the interest of orderly development of the city.

The challenge that is posed is the swelling stress of population not only from rural areas but also from smaller towns. Along with it come problems of public services, employment opportunities, overcrowding, poor standard of education, sanitation, public health and subtle social and individual disorganisation. Awareness of these problems is the first antidote to anti-urbanisation attitude. We must accept that the urban centres and above all the capital core of Jaipur should play a role in initiating development process, integrating physical, economic and social problems for viable urban centres with necessary infra-structure and institutions, keeping in view of 'selective concentration in few areas with development potential rather than that of dispersion.'

## CHAPTER X

## PROBLEMS OF MUNICIPAL ADMINISTRATION

Political and Administrative institutions are created to meet certain requirements and needs of a society and their development and growth are conditioned by the circumstances and situations prevailing from time to time. The social climate in which the municipal institutions were established was very different from that of today. The welfare state was not yet conceived; public education was in its infancy; town planning was not well recognised. The municipal authorities concerned themselves primarily with the provision of the collection of taxes and enforcement of sanitary rules and regulations.

Municipal administration today is subject to enormous strains having been called upon to fulfill the task of developing and maintaining civic services on a scale far greater than they were designed to perform[1]. They have not only to maintain the municipal services such as water supply, adequate dispo-al of sewage and waste, drainage, protection of public health, provision of education, regulation of buildings and property etc,, but to build up the infra-structure and provide the economic base to meet the requirements of a fast growing urban complex.

Preparation of city development plans, their enforcement over a wider area, urban renewal, slum-clearance and re-development of blighted areas, are some of the problems that confront the city government which has neither unity nor integrity. Most of the Municipal Administrations are not equipped to meet the challenge of the modern city.

The demands of centralisation and autonomy in Municipal Government are being countered by the transfer of municipal functions to special area authorities or adhoc bodies and the needs of reconciling democratic aspirations with efficiency of service are

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1. *W.A. Robson : Local Government in Crisis : London, Allen and Union, 1966, p. 9.*

put forward as arguments for executive centralisation and bureaucratic control. Speaking of the Government of London before its reorganisation, the Herbert Commission stated, "the machinery is untidy and full of anamolies. There is overlapping, duplication, and in some cases gaps".[2] The description would be equally applicable to most great cities across the globe and yet paradoxically enough little has been done to reorganise our city government to be effective instruments for the provision and maintenance of services so basic and essential to the economic welfare, safety and convenience of vast masses of urban population. "Municipal Government is suffering from a momentum of decline·········any substantial improvement demand for far reaching changes in the structure and finance of municipal government, the relations of local authorities with central departments and the powers entrusted to local councils "[3]

In our country there seems to be inverse relationship between growth in urbanisation and consequent aggravation of urban problems and the amount of inquiries and research into them The system of municipal administration which established during the middle of the last century has remained largely static. Even to day, the basic municipal structure and the system of elective city government of the country remains the same as that created by Lord Ripon in the 1880s.

They were controlled both from within and without and even with the lapse of time, when internal control was with drawn,it was substituted by a more rigorous control from outside. They were designed to administer only limited functions and both the constitutional and organisational arrangements have failed to bear the heavy strain of development needs suiting to the public aspirations and hence it stands badly in need of repair and renovation. The renovation is needed not only in one aspect of municipal administration, but in all the aspects including the area, the delimitation of municipal areas, structures, state-municipal relations, finances, municipal personnel, public participation etc. Now we will discuss each problem mentioned above one by one with solutions which have been put forward in recent years by the committees and commissions which have probed into municipal administration.

**Criteria for constituting Municipal Bodies**

At present no definite criteria for determining the limitations of different types of local authorities have been laid down. It is only in a few states that the Municipal Acts provide some population criteria. In others, the entire question is left to the adminis-

2. *Gian Prakash : Organising City Government, IIPA, Vol. XIV, No. 3, July–Sept., 1968, p. 498.*
3. *Local Government in Crisis, op. cit., pp. 10–11.*

trative convenience of the government which changes it from time to time

Today all over the world the trend is towards the larger areas of municipal authorities Recently the committees and commissions which have probed into the affairs of the municipal-authorities have advocated the larger size of municipal area The committee on 'Modernising Local Government in U S A (1966)" pointed out, "that very few local units are large enough in population area, or taxable resources to apply modern methods in solving current and future problems "[4] The committee suggested that before a local government can be expected to serve the purposes intended, it must be sufficiently large in population geographic jurisdiction and financial resources to make long range plans, to attract professional staff and to manage mod rn services Therefore, the number of local governments in the united states now about 80,000 should be reduced by at least 80% [5] Similarly recently the Royal Commission[6] on Local Government in U K have also recommended for enlarging the area of local authorities The commission have suggested a three tier system of local government for England (outside London) in place of the existing over 1,200 elected councils The commission have advised a complete re structuring that would place operational administration under the control of a few as 61 entirely new authorities

The Rural-urban Relationship Committee have pointed out that 'there is a great need for setting up dynamic and virile units of municipal government which may be able to provide amenities calculated to promote the well being of the people '[4] The municipal bodies are constituted for the urban areas with the size of population as the main consideration In Rajasthan for instance, the lowest grade municipality can be established by the governm ent which has at least 8 000 population It is obvious that a small municipality or town area has not the resources to employ properly qualified staff and maintain high standards of civic amenities The Rural-urban Relationship Committee[8] are of the view that the lowest grade municipal body must provide the minimum facilities such as potable water suppl y, street lighting preferably electric, drainage, at least pucca surface drains surfaced roads and streets,

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4 *Modernising Local Government Report of the Committee for Economic Development July, 1966 (U S A ) p 1*

5 *Ibid p II*

6 *II P A Newsletter, Vol XIII No 6, June, 1969*

7 *Government of India Report of the Rural-urban Relationship Committee, 1966, Vol I, p 25*

8 *Ibid , p 26.*

and sanitation, conservancy and arrangements for the disposal of town refuse and prevention of epidemics. The provision of amenities depends upon the availability of financial resources. The Committee[9] are of the view that every town with a population of 20,000 and more should have the capacity to raise funds for providing and maintaining the minimum services. The Committee are of the opinion that the dividing line between the urban local bodies and the Panchayati Raj institutions should be drawn at towns with population of 20,000. Those which have the larger pupulation should be classed as urban local bodies and those which have a smaller population should be incorporated in the Panchayati Raj.

**Delimitation of Municipal Areas**

The Constitution of a municipal body presupposes the delimitation of an area to be controlled and administered by it. The present practice is to delimit the municipal boundaries with reference to the existing compact area of habitation, leaving the area outside the limit to grow unhindered in a chaotic manner. For a considerable time until the municipal body approaches the state government for the extension of its boundaries, the peripheral areas are subject to land speculation and haphazard building activity, disorganising the life of the surrounding villages.

The inclusion of a rural area within the municipal limit raises many problems. Very often the rural people resist the proposal for the absorption of their areas within the municipal limit. The dichotomy in matters of municipal amenities and services in the rural areas included within the municipal limit and the urban area is bound to persist for a long time, as the gap between the standard of services in the villages and the town is great and the work of land development in the absorbed areas would involve considerable finance and time. The following principles for fixing or extension of municipal boundaries were recommended by the Rural-urban Relationship Committee.[10]

(a) Requirements of the future urbanisation over a period of 10 to 20 years according to a Master Plan should be taken into account and contiguous areas brought together, leaving a peripheral green belt of sufficient width. The green belt shou d ensure proper control and prevention of fresh construction.

(b) The rural areas included are likely to continue to have agri-limits, the new boundaries should include all the lands attached to the village. In case the village area is very extensive

9. *Report of the RURC, op. cit., p. 27.*
10. *Ibid. p. 30.*

and there are distinct boundaries such as a river or a canal, it should not be necessary to include the entire village within the town but only the affected portion up to the distinct boundary.

(c) The rural areas included are likely to continue to have agricultural activities till the land is taken over for building purposes. The benefits of Rural Community Development programme and other grants and facilities that were available to the rural community should continue to be paid to the municipal body to enable it to discharge such functions in respect of rural areas as were being performed by the Panchayats prior to their merger with the municipal authority.

**Organisational Problems**

One of the most important problems of municipal government which has been conceived after independence is the problem of structure. With the advent of independence, the nature and scope of municipal government has undergone great transformation The structure of municipal government is the frame work within which local public policy is determined and implemented. Structures are the 'synthesis' as Prof. Hume and Martin have put it 'albeit usually temporizing ones, of seemingly contrasting but not mutually exclusive values such as individual liberty and corporate authority, local political initiative and central government direction etc. The structure of an organisation not only determines the relationship between the organs but also the balance between the apparently opposing values, and thus provides its inherent character and strength".

Before reforms in municipal administration particularly with reference to the structure can be suggested, it would be necessary to find out the problem areas in the present structure The major problem areas are. (a) Electoral system, (b) Council, (c) Relationship between the deliberative and executive wings, and (d) State-Municipal relationship

Electoral System

It is a process through which the deliberative wing of the municipal administration comes into existence. There are at present in Rajasthan two types of constituencies viz single member constituency and multi-member constituency. The multi member constituencies are only those where the candidates of scheduled castes and scheduled tribes are to be represented.

The advantage of a single member constituency is that each constituency has its representative whom the inhabitant may consider as their personal representative and whom they can

approach for day to day civic needs. On the other hand, the council member elected in this manner tends to be narrow minded looking to the interest of his own constituents only. It also reduces the availability of good candidates for council membership; one residential area of a municipality may have several good candidates while another have none. Another disadvantage is that some votes of the electorate seem to be wasted and those voting for the losing candidates in any one constituency often feel unrepresented.

The advantage of having elections at large is that the elected members are more likely to think of themselves as representatives of the whole local unit. For most of our voters this system may not be very simple and the acceptance of the single member constituency system in the elections for higher levels of government implies the acceptance of the same system at the municipal level also. Anyway, there is no evidence to show that the electoral system has in any way adversely affected the structure of municipal government in the state.

**(b) The Council :**

The Council is, in principle, the main representative organ of the municipal government. While considering the structural aspect of the council, three major points are to be taken into account viz. size, composition and functions.

In the first instance, we shall see what should be optimum size of the council for efficient running of administration. The size of the council varies from municipality to municipality in the state. The size of a council is closely inter- related with its role in the municipal government structures. Prof. Humes and Martin observe "the largeness or the smallness of the body affects the representative character, the effectiveness and the nature of the deliberations of the council". One of the main arguments advanced for large council is that it increases the ratio of councilmen to the population and ensure more citizen participation in municipal government. But the disadvantage is that it does not provide an opportunity for every councillor to play an effective role in the governing process. The Rural-urban Relationship Committee have suggested the following size of a Council on population basis:-

| *Population (in 000)* | *Membership* |
|---|---|
| 20–50 | 15–25 |
| 50–100 | 25–35 |
| 100–500 | 35–45 |

Considering the respective merits and demerits, it is felt that the council should be neither too big nor too small, and the aim

should be given adequate representation to the people as to provide an opportunity to run the administration effectively. The best course that may be adopted is that the number of councillors should be in the ratio of one councillor to 5000 population. For more populous cities a system of two- tier municipal government on the pattern of Greater London can be envisaged

The intention behind appointment or nomination of council members is generally to give opportunity to trained or qualified persons to participate in Local Government Administration. It is done for two reasons.

(a) Such persons do not desire to contest election and (b) it is good to have people with specialised knowledge and experience in some different aspects of local administration Though the first reason, in a democratic set up is not convincing, the second one deserves consideration in the interest of good local government In fact, however, this practice tends to provide an opportunity for the political parties to have a voting majority in the councils It is, therefore, generally recognised that the elimination of the system of nomination is desirable for all units of local representative government

(c) Relationship between deliberative and executive wings

The general trend in the Municipal Act at present is to create a number of statutory authorities for the purposes of administra tion The distribution of statutory powers among the council, the standing committee the Chairman and the Chief Executive Officer creates confusion in local administration This is the feature of the corporation-city government in all the states The difficulties experienced in the municipal management are due largely to this fragmentation of authorities It naturally affects the administration adversely and creates apathy and indifference in the minds of citizens towards municipal administration The Rajasthan Municipalities Act 1959 vests the municipal administration of the city in the municipal council/board But the council may delegate any powers duties or executive functions to the President or the Vice-President or to commissioner or the chairman of any committee or to one or more stipendiary or honorary officers In the discharge of his administrative duties the Executive Officer of the Council is subject to the control of the president of the council. The council may punish otherwise than by dismissal or removal, any officer appointed by the state government by a resolution passed by a majority of not less than two thirds of the whole number of its members at a special meeting and approved by the

state government.[11] In Rajasthan, in practice it is the president of the council, who exercises executive authority on behalf of the council and being dependent on a majority vote, he is exposed to the ever-present possibility of being removed through party mano-euvring and he is more amenable to varied influences and interfer-ence from his colleagues. The interference is expressed through meddling with day to day administration by taking sides and intri-guing with the officials and the council. On the other hand, today the municipal administration has increasingly become more and more complicated and difficult. As Lord Bryce had said, "Municipal administration has become more and more a business matter for the experts in such science as sanitation and engineering. The chief duty of a elected council has therefore come to be that of appointing and supervising permanent officials".

Thus in the absence of unitary control in command of the entire organisation, the process of decision making as well as execution is inherently time consuming. Promptness and inefficie-ncy are bound to suffer at the alter of the existing system of multi-ple control. A conflict between political democracy and administra-tive efficiency has, therefore, to be settled once and for all. The existing pattern is now increasingly felt to be defective both by the Executive as well as by the elected element in the organisation. Besides, a tendency to pass on the buck prevails the deliberative wing passing on all resposibilities of failures to the executive and executive complaining about unwarranted interference by elected representatives which would hamper efficiency or prevent enforce-ment of the rule of law.

For the solution of this problem three views have been expr-essed by the administrators, politicians and the academicians: modify the existing set up on the lines of the pattern obtaining in the state governments. The Mayor and the chairmen of statutory committees and others so chosen by the council should form them-selves into a miniature cabinet and take over the full responsibility of the civic administration; each one being assigned certain subjects or area for exercising executive control and bear responsibilities for civic services in respect thereof. In such a pattern the president of the council will occupy the place analogous to that of the Chief Minister in the state and the Chief Executive Officer will resemble the Chief Secretary and the other heads of the departments work-ing as if they are secretaries incharge of various services.

The only safeguard considered essential in this system will be to ensure that it does not lead to abuse of power by local leaders who may not be mature enough to the advantage of the political, social, communal or professional groups to which they belong. In deciding on such a course availability of a band of public spirited

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*11. RMA, 1959, section 307 (4)*

citizens, capable of weilding powers for the cause of civic service to the entire urban community without any bias for caste, creed or profession and capable of establishing and adhering sound conventions without interfering in administrative matters and mainly confining to civic needs and grievances should first be confirmed The most important question is whether the civic elections based on adult franchise and within smaller local areas would bring forth representatives with calibre, integrity and capacity to take over the responsibility of running the city government (ii) The section of the public opinion which claims to serve as a guard of the existing pattern which they say, has stood the test of time and is not prepared to accept such a radical change In their opinion the evils of the present system in all categories of municipal bodies can be minimised, if not altogether eliminated by restricting the functions and interests of the members including the president, to complete policy control, full and overall financial control and the executive control through supervision Here they visualise a complete re-organisation of executive set up, with a demarcation of the deliberative and the executive functions without making its functioning any the less democratic. The object is to eliminate chances of the councils becoming tools in the hands of those who with sheer force of majority cast public good to winds and ignore the provisions of civic amenities It will not become a play-ground for power politics with the object of propping up one individual to suit agreed interests of the people forming the majority Under this arrangement there will be a strong executive to somewhat similar to the council manager system, with some marked features of the clark of County Council of England, amenable to popular control and can function uninterfered with, guided by considerations of civic good rather than individual gain or party consideration All powers would vest in municipal council which will have the ultimate financial control and power to lay down policy on all civic matters The Council will have the services of a competent officer with expert knowledge to implement its decisions and carry out policy He should have a defined field within which he can function uninterfered with so long as the functions are within the four corners of policy laid down and funds voted He should be left with a large measure of initiative and independence in matters of execution of policy and all officers and servants who are engaged in the execution of policy should remain in his subordination Almost most of the elected representatives are keen in retaining this institution and urged their reasons, the inability of the President to control civic affairs without giving them a good deal of his time and energy If in actual working the capacity and the position of the Presidents have not justified the existing arrangements whereby they exercise power, the Councils will be fully justified in substituting it by new arrangement which will serve them and urban communities better (iii) A via media between the two alternatives referred to above is also being suggested viz the President/Mayor, the Chairmen of the various committees should be vested with certain

amount of powers of revision and appellate authority over the executive decisions so that through this device the elected representatives of the people would effectively control the administration.

Under this arrangement, the Executive and deliberative wings would function independently within the jurisdiction assigned to them by statute; but a committee of the elected representatives would be vested with powers to hear and decide upon appeals against executive decisions. The Appellate Committee of Councillors will exercise a closer supervision over the executive and thus may satisfy the urge of the councillors to have the effective control over the Executive.

The success of such an arrangement will largely depend upon public spirited, impartial and judicious councillors on such a committee and their keenness, firmness and fearlessness, irrespective of extraneous considerations, to abide by rules and regulations. Its main purpose should be to meet out justice in hard cases rather than weaken administrative discipline and control. (iv) A new experiment is being forged for the Delhi Municipal Corporation. This system envisages a Mayor in Council pattern of the city government under which the Mayor, Deputy Mayor and one or two councillors so chosen by the corporation would be vested with the entire executive authority and control over the affairs of the corporation.

The acceptance of any one of the above said models to all the municipal bodies throughout the country is not possible. The acceptance of any executive model would depend upon the powers and functions of the municipal body concerned, its financial resources, the social and political conditions of an area and finally the attitude and approach of the state government towards the municipal bodies in the state. Obviously, it is true that one model of executive-deliberative relationship cannot be suitable for all the municipal bodies throughout the country. Each model has its limitations under the conditions and circumstances which vary from state to state and from one municipal body to another within the same state.

**(d) State-Municipal relations**

Constitutionally, Municipal Government is a state subject in India. State control is, in no small measure, attributable to the almost incurable weakness and inefficiency of municipal government and a pathological indifference of the urban citizenary to municipal institutions. State control extends to almost every aspect of municipal administration such as finance, staff appointment and dismissal, sanctioning of major projects and performance of even ordinary functions. Control is more strict in financial matters and

elaborate rules and regulations have been framed for the purpose The budgets, for instance, are submitted to the state government for approval and auditors appointed to the audit municipal accounts Besides, the state has powers of inspection and supervision, powers to call for reports and returns, to take action in default, and to suspend execution of municipal order and resolutions In case of incompetence or persistent default in the performance of duties, the state government has powers to supersede the municipal bodies and appoint administrators to manage their affairs

The role of the state government is thus of crucial importance in promoting healthy growth of the urban local bodies But 'the techniques of supervision and control in India have remained rather static, unimaginative and negative ' The wanton use of drastic punitive measures which include removal of elected members and supersession of municipal administration in the state, testified to this state of affairs

Things would be better, if the Municipal institutions were afforded constant guidance financial assistance and positive administrative advice

In Rajasthan, the Directorate of Local Bodies at the government level, has no field agency to give such needed guidance, except of course through the collector The collector has little time as he is too much involved in developmental, revenue and maintenance of law and order administration, to play the role of constant adviser or even to help them in the formulation of their programmes and their implementation Even otherwise, the office of the collector is associated with authority and for that reason his advice sometimesis taken as interference The work of the Directorate of Local Bodies it will be conceded, has been mostly negative Its activities have been apart from the routine work mostly confined to entertaining complaints, considering questions of removal of members and supervision of councils To ensure successful implementation of developmental programmes and works undertaken by the council the Directorate of Local Bodies should constantly maintain liasion with and approach other departments concerned with the activities of the Municipal bodies But there is no such mechanism for such co-ordination On account of excessive concentration of powers in the hands of the government, there are inevitable delays The fault is not of the Directorate of Local bodies The inadequacy of the staff, absence of field agency and machinery for coordination all act as limitations on its working More than anything else there is a necessity for an experienced and expert agency, which should guide the affairs of municipal bodies giving them much needed initiative and able to recognize good work The objective may be achieved better

by strengthening of the Secretariat department incharge of municipal administration and by creating of a well-staffed, purposeful inspectorate which would work as an adviser of municipal government as well as an aid to state government.

(for details see chapter vii)

**Personnel**

One of the main weaknesses of Municipal administration in India has been the absence of a well organised and effective system of personnel administration as a result of which Municipal administration has not been able to attract suitable personnel to run the administration efficiently. Sound municipal administration depends largely on the quality of staff attracted to it and the extent to which their talents and capabilities are enlisted in the support of desirable municipal activities. It is the human equation that is the foundation of all personnel management in any organised activity.

The Municipal Corporations are better off in this respect. In recent years, however, most of the states have made provision for the appointment of Municipal Executive Officers to look after regular administration under the general supervision and control of the Municipal Chairman. As regards technical officers and all other staff the general pattern has been the individual personnel system of each urban local body. As a result of this, these bodies are unable to get suitable personnel, such as public health engineers, Medical and Health officers, Town Planners and so on. The pay scales and service conditions have failed to attract qualified personnel. Chances of promotion are very remote in these bodies. Thus, the very image of service in Municipal Government has in most cases discouraged the entry of suitable personnel that is needed.

The state governments are now very much concerned about the conditions of service of Municipal employees and all are taking steps to improve the situation. To regularise the recruitment of senior and middle level municipal personnel the state public service commissions have been used in some states. In some states separate municipal cadres have been constituted.

At present there are three broad types of Municipal Government personnel systems prevailing in India:

(i) A separate personnel system in which each local authority appoints and administers personnel who are not automatically transferable to another jurisdiction. But this system has failed to attract the qualified personnel even in the corporations, where the pay scales are satisfactory and selections are made by an agency like the Public Service Commission. This is mainly because of the very difficult conditions of work, relative insecurity and lack of necessary prestige of post under the municipal authorities.

(ii) A unified local government service in which all or some categories of personnel of local authorities constitute a career service for the entire state. It is administered and controlled by an agency at the state level and the personnel are transferable between Municipal authorities only The RURC has recommended this system for the non-technical personnel. The objection to this system could be that it acts contrary to the idea of local autonomy and some of the local bodies may not have the financial capacity to pay for such services

(iii) An integrated service in which the personnel of the State Government and those of the local authorities form part of the same service and transfers are possible not only between local authorities but also to appropriate departments of the state government. It would be more convenient to have an integrated cadres at least for technical personnel such as for Municipal Engineers, Town Planners, Medical/Health officers etc. The Committee set up by the Government of India on the service conditions of the Municipal employees has recommended as under ·

> "While in the initial stages the State Governments may take recourse to unified or integrated cadres for various categories of services in the light of the circumstances prevailing in each state, the ultimate objective should be to integrate municipal services in order to ensure that the personnel available for municipal employment would have the desired competence and prestige enjoying appropriate conditions of service"[12]

The principle underlying such a cadre has been accepted by and large and some of the state governments have already taken concrete steps in this direction But whatever systems are worked out in future, it has been clear by now that no municipal authority can attract properly qualified personnel unless service conditions are considerably improved

**Finances**

An account of Municipal Government will be incomplete without a discussion on their finances. It is frequently observed that it is the desperate financial condition of the municipal bodies in India which is the root cause of their weakness and inefficiency. The sources of income of the municipal authorities are revenue from specific taxes, Grants-in-aid from the

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*12 Government of India–Report of the Committee on the Service conditions of Municipal employees, 1968, p 32.*

State Governments, and non-tax revenues from fees, fines and municipal enterprises such as city transport, markets etc. The municipal bodies derive 66% of their income from tax revenues 20 5% from non-tax revenues, and 13.5% from Grants-in-aid[13]. The major taxes levied by most of the municipal bodies are (i) taxes on property including general rate and service taxes for water supply and drainage, lighting, disposal etc; (ii) Octroi on the entry of goods into a local area for consumption, use or sale therein; (iii) taxes on animals and vehicles; and (iv) tax on trades and callings. Although, income from taxation constitutes the main stay of municipal finance, has been far from satisfactory. The following extract from the Rural-urban Relationship Committee report shows the situation very vividly.

"The Municipal Councils have generally been averse to levying fresh taxes or enhancing the rates of existing taxes. From a study of the tax structure of 100 local bodies it appeared that as recently as 1962–63, 21% of the local bodies were levying no property taxes, 54% were levying no service taxes, while about 27% were levying no vehicle tax. The Committee on Augmentation of Financial Resources of Municipal bodies has also reported that in 1960-61, 35% of municipalities in Gujarat, 16% in Madhya Pradesh, 38% in Punjab, 83% in Rajasthan and 10% in Uttar Pradesh were levying neither property tax nor any of the service taxes. In Rajasthan the levy of house tax, tax no professions, trades and octroi are by law obligatory and their rates have been fixed by the State Government. But many local bodies are not collecting the house tax or the tax on professions, trades and callings. In Assam and Kerala, the Municipal law provides for the levy of a duty on transfer of property, but no local body has utilised this source of revenue. Even where taxes are levied the rates fixed are kept low and the incidence of Municipal taxes falls unevenly on different sections of people."[14]

The administration of property tax which is the most important source of municipal income in many of the states, remains highly unsatisfactory. In the absence of a central valuation agency, assesement is often vitiated by local political considerations. On top of it, tax collection is often grossly mismanaged as a result of which many of the municipal bodies are found in heavy arrears.

State Grants-in-aid have not assumed a significant proportion of municipal income. Recently, the States of Gujrat, Kerala

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13. *R. L. Khanna : Municipal Government & Administration, p. 133.*
14. *Report of the Rural-urban Relationship Committee, op. cit., p. 89.*

and Madhya Pradesh have introduced detailed Grants-in-aid systems. In all remaining states, grants are made on ad hoc basis, depending upon the state of state finances.

Municipal income from non-tax sources is also meagre Most of the remunerative enterprises such as road transport, electricity etc. are exploited by the State Governments themselves

Most of the municipal bodies have low per capita income which stands in the way of their providing even the basic civic amenities.

A survey made by the Rural urban Relationship Committee reveals that most of the Municipal Corporations studied had an annual per-capita income of less than Rs. 30/–. The figure was as low as Rs 2/- in the case of smaller municipalities.

From the foregoing discussion it is clear that the financial position of municipal bodies is worse than the fragmentary structural arrangement. A major advance in municipal finance is possible through inter-governmental cooperation and revenue devolution in a systematic manner The process of inter governmental fiscal cooperation would be considerably facilitated by the creation of Municipal Finance Commission in each State. As Municipal Government is an integral part of governmental system in India and, further, as it has inevitably to play a significant role in the taxes of national development it must be ensured adequate resources and must become financially self reliant and the proposed Finance Commission would go a long way at ensuring this. The Rural-urban Relationship Committee has also lent its support to the proposal The Scheme, the Committee feel, would not only act as a financial insurance for Municipal bodies and protect them against arbitrary incursions of the State Government but would also act as a stimulus for the municipal bodies to make the best use of the taxes allocated to them."[15]

**Political Parties and Municipal Government**

The problems of municipal administration cannot be fully solved unless there is a well equipped, determined and devoted leadership. A good leadership can only be emerged when political parties participate directly or indirectly in the Municipal affairs In Rajasthan the process of evolution of Municipal institutions and political conciousness has been halting and slow In the absence of any substantial inroads of the national movement in the princely states, the political consciousness could not develop to the desired extent. After independence, the question

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15. *RURC Report, op cit , P 86*

of participation of political parties in local affairs was discussed at length by the top leaders of the state. The one view was that the political parties should keep their hands off municipalities. On the other hand, the second view was that urban areas had developed considerable political sense and consciousness and as such, only parties were equipped with means and resources for cultivating the masses in the positive direction. Besides, the so called, 'independent councillors would inevitably lead to fragmentation and therefore, whatever be the pious hopes of the critics of political parties in local affiars, it would be inadvisable to have unpoliticised municipal units. Formally in Rajasthan, the political parties do not participate in the affairs of municipal institutions. Nevertheless, all parties except congress have contested municipal elections on party basis. The congress too has had its informal linkage with Municipalties. Thus, the non-participation of political parties officially into local elections did not eliminate party politics from Municipal government. Interested individuals take advantage of party symbols for their personal interest and as they are not elected on the official support of any political party, after election they do not submit to any control of political parties. Thus, Municipal government suffers from the evils of both party politics as well as lack of control by political parties on Municipal councillors. Therefore, the political parties should be organised at municipal level to get their leaders elected and to exercise supervision and control over them during the course of the municipal activities. Through linkage of state level political parties, the councillors would be able to formulate a policy with regard to the civic matters under minimum civic programme activities. Once the programme will be decided, they will take interest in its implementation, as they know, if the minimum declared programme will not be implemented, their party would be defeated in the next elections.

In the absence of ideological orientation, it is also difficult to comprehend a sound municipal leadership which can only be emerged with the full recognisation of political parties at Municipal level.

**Public Participation**

The efficiency and success of a democratic municipal government depends very largely upon the public understanding of its machinery and the interest that public takes in it and support gives to its activities. The growth of large cities, a phenomenon of modern industrialisation, has not only made the maintenance of efficient civic services more difficult but it has widened distan between the people and the councils. The people are becoming indifferent to municipal affairs, and this is increasingly depriving the local administration of its principal attribute namely clos e intimacy between the local unit and the common man. The sense

of responsibility and pride of participation among the people are disappearing This problem is not peculiar to India, but exists all over the world Whenever, this participation is forthcoming, it is confined to outbursts of public protest and criticism often unrestra ined and destructive against levy of taxes. For instance, recently the Nagar Samiti in Jodhpur, Grain Committee in Bikaner, Zila Harijan Raksha Samiti in Ganganagar have vehemently opposed the levy of House Tax by Municipal authorities

Perhaps, this is mainly due to the fact that large sections of the people are ignorant of the methods of operations of municipal government and no organised attempt has been made to stimulate and sustain the interest of citizens in municipal affairs At some places, the problem has been solved by creating a lower tier of administration that is circle or zonal committee, where people can get local grievances redressed It is desirable to have both larger and smaller units of local government so that sub-urban and outlaying areas of a growing town can retain their own community life while becoming a part of larger local government area for common purposes

Thus the larger cities with a population ot 5 lakhs and over should be divided into a number of circles or zones that each circle or zone covers on an average population ranging from 53,000 to 2,00 000 according to the population of the city Each circle or zone should be further divided into 5 to 10 wards, each one of which elects one or two members for the council The councillors belonging to a particular circle or zone shall constitute the circle or zonal committee The zonal or circle committee should maintain its own zonal office with separate administration and technical staff and get allocation of sufficient funds from the city council to meet the cost of local works

Attempts have been made in Madras and Calcutta where zonal or circle committees have been formed However, these committees remain only advisory in nature in the absence of any specific powers given to them under the Act For certain major services like town and regional plan ning, co-ordination and administration of large scale works, sewage disposal, electrical supply, city transport etc require heavy capital outlay high technical skill, elaborate organization, all beyond the reach of smaller local bodies However minor items which by nature are local such as dispensaries, schools, recreation facilities, cleanliness street lighting etc can be better looked after by the lower tier unit These aims can only be attained through a federation of municipal bodies, the upper tier dealing with area wide functions and the lower tier dealing with purely local services

Under this arrangement, both political and administrative decentralisation is necessary in order to make it workable in a proper way A clear demarcation of

functions and areas is necessary in order that the two levels of government work as partners in the common venture. In order that this two-tier system works well it is necessary that a clear division of powers and functions is provided in the Act,otherwise the upper-tier may have the tendency of encroachment of the functions of lower tiers. The activities of the lower-tiers and their budget demands should be co-ordinated through the establishment of a Finance and Co-ordination Committee. Such a decentralisation effected through the statutory functional committees would improve the implementation of local works and bring the local people closer to the municipal administration.

The another important aspect is that the municipal government should educate the electorate by the dissemination of correct information on various civic matters which they ought to know in order to judge the things for themselves. As a matter of fact we have never cared to educate the people about the duties and responsibilities of citizens. The possibility should also find out of drawing in prominent citzens' such as doctors, engineers, lawyers etc. who can provide expert advice to the council in policy making. It seems that this source for upgrading municipal policy has not been tapped by municipal authorities as yet.

**Rural-urban Relationship**

The process of urbanisation will continue unabated for mny years to come, particularly in under-developed countries where it comes in the wake of industrialisation. In affluent societies, however considerable thought has been, and is being given to eliminate the difference to the approach towards the rural and the urban areas and there is a general desire to treat the two as integral parts of one organism requiring equal attention rather than as two distinct entities. The vital role of administrative institutions in equalising in this context, and so long as we have one set of institutions for urban areas and another set for the rural areas, the differences will not only persist but get further stratified. It is necessary, therefore to develop a sound course of action which will progressively eliminate the existing differences in approach and treatment.

The criterion of administrative jurisdiction delimiting and inhabited place as urban no longer corresponds to the realities of the situation. The mere delimitation of the municipal boundaries does not limit the urban process as its edges. Urban centres are continuously expanding and spreading beyond the statutory limits into what are administratively rural areas. Moreover, the distinctive features of urban communities change with the improvement of technology and standard of living, economic develpoment and expansion in transport and communication facilities. The so-called urban traits get disseminated and diffused among wider sections of the society. The adjoining rural communtites in their course of development tend to acquire increasingly similar characteristics as those of the urban areas.

Infact, the sociologist today looks upon urbanisation as a continuous process of transition from rural to urban treating the present differences as only a stage in the continuum This is very much true of the advanced western communities, where the impact of technology has made the distance between the rural and urban very much narrower Even in India various social and economic changes are taking place in the village communities as a result of the community development programmes through the application of advanced technology.

In addition, the municipal functions largely correspond to the functions entrusted to the Panchayati Raj institutions except in the field of agriculture and industrial programmes The Gujrat Municipal Act, 1964, even empowers the municipal bodies to undertake activities for the promotion of agriculture industry and community development in Rural areas within their jurisdiction Nor are there any basic differences in the nature of the power of taxation enjoyed by the municipalities and the rural local bodies.

The district five year plans are exclusively rural development plans and do not provide for the planning and development of the urban areas The planning and development activity in a region has thus been lopsided without any proper emphasis on essential priorities Shri V T Krishnamachari in his report on Indian and State administrative services and problems of district administration pointed out:

"It is obvious that the plans of development of rural and urban areas in a district cannot be prepared in isolation from one another. Plans of social and economic development of rural areas have to be linked up closely with those of adjoining urban areas Such co-ordination has to be continuous For example, production programmes in villages which are in proximity to towns have to be framed so as to meet the needs of the towns Suitable market and marketing centres linking up such areas have also to be planned afer careful surveys, with connected roads and other facilities Similarly programmes of education, medical relief, water-supply extension of housesites, etc for both areas have to be viewed as a whole in order to avoid overlapping and waste of effort "

In most of the states the Panchayati Raj enactments provide for representation of urban local bodies on the Panchayat Samiti and Zila Parishad The objectives of such representation, however, have remained obscure, though it does establish a link between the urban and rural local bodies The pattern of representation of urban local bodies on the Panchayat Samitis and the Zila Parishads varies in different States Inspite of representation, the district Plans of development have remained plans only for the rural areas It is essential that the objectives of a healthy rural urban relationship are seen in the light of the needs of a developing

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economy and the attendant processes of rural migration and urban expansion. In considering the nature of the urban problem to be phased over the next decade, it is necessary both to deal with the situation which exists now and to ensure action along the right lines for the future.

In view of the varying degree of problems of rural urban relationship created by different stages of urbanisation, the rural urban relationship committee made the following recommendations to establish the relationship between urban and rural areas and for the formulation of an integrated development plan for both the rural and urban areas.

( i ) In districts where the urban population is substantial or where new towns or industrial nuclei are developing, the task of planning and development should be entrusted to a statutory overall planning and development authority for the entire district. Such a statutory authority would have representatives from the Zila Parishad as well as from urban local bodies and will also have the power to undertake the implementation of certain projects when considered necessary. It will also co-ordinate the performance of different functions in the field of planning and development of the various urban and rural local bodies. The detailed plans for urban and rural areas would have to be prepared in accordance with the guide lines laid down by the statutory planning and development authority.

( ii ) In the districts which do not have a substantial urban population, it would not be feasible to have a statutory planning and development authority distinct from the Zila Parishad. It would, therefore, be more expedient and economical to entrust the responsibility of planning and development to the Zila Parishad. The Zila Parishad would set up a special committee for the purpose on which the municipal bodies and the rural bodies would be duly represented.

(iii) The metropolitan areas and the large city region complexes or urban conurbations (having a population more than 5 lakhs) affect the life and the economy of surrounding areas in several ways. In order that the peripheral areas devlop in an orderly manner ensuring a smooth transition from the rural to the urban, it is necessary that there should be proper plans for these areas correlated and co-ordinated with those of the central city. The purpose may be achieved in either of the following ways :

(a) by placing the entire city region under the single municipal authority; or

(b) by creating a special statutory authority which will undertake the planning and development of the entire region in the matters which affect the entire area, namely

communications, water supply, drainage, sewage disposal, and other such area wide functions The planning of details and their execution can be left to the local authorities in so far as they pertain to matters of local interest only.

Thus as a preliminary step even the formulation of an integrated overall plan for the district or region as a whole would, to a great extent help integration and dilute the difference in approach consideraoly and which will abolish the distinction between rural and urban areas in regard to quality and treatment The transition from the agricultur il to the industrial economy and the consequent spread of urbanisation are symptomatic of the tendency of homogenisation of the various sectors of society This integrated approach through the plan of urban and rural areas would definitely help in bringing this homogenisation

In conclusion we can say that the urban crisis is due to inadequate funds with the municipal government, the inferior calibre of leadership at the municipal level and rampant municipal corruption. The crisis was further deepened by obsolete thinking obsolete laws, rules and regulations and our inabiltiy to comprehend the urban problems in their totality Recently, Dr A Bose of the Indian Institute of Economic Growth pointed out that, "We are still governed by municipal Acts which were passed in the early decades of century " T [illegible] nicipal bodies are not conducive to the [illegible] owing modern cities and their populatic [illegible] Administration needs the immediate attention of the government as well as the citizens

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# APPENDIX A

## LOCAL GOVERNMENT (URBAN) ENQUIRY COMMITTEE, PUNJAB, 1957

This Committee was set up by the Government of Punjab in December 1954. The terms of reference of the Committee were: to enquire into the operations of the existing laws, rules, etc. pertaining to Urban Local Bodies in the State and to recommend amendments thereto with a view to ensuring smooth working of local body administration, fostering of local initiative and enterprise; enlarging the financial autonomy of local bodies and enlisting people's voluntary co-operation, as also to consider questions relating to the establishment of a local government directorate. The report contains several recommendations directed towards making the municipal administration in Punjab, effective, efficient and dynamic. The important among these are as follows:

### 1. The State Local Government Department

The Local Government Department has no field agency to give the much needed guidance, except, of course, through the Deputy Commissioner. The Deputy Commissioner himself has very little time to play the role of constant adviser or even to help the local bodies in the formulation of their programmes and their implementation. To ensure successful implementation of developmental programmes and works undertaken by the committees, the Local Government Department, should, in the absence of any separate agency of their own, constantly maintain liaison with and approach other departments. The inadequacy of the staff, absence of field agency and machinery for co-ordination all act as limitations in the Department's working. More than anything else, there is necessity for an expert agency, which should guide the affairs of local bodies, give them the much needed initiative and recognise the good work.

The duties of Department's representatives, and Government policy, should be more clearly defined to avoid existing anomalies

and contradictions. The Government should also decide to what extent it will trust the local bodies and also to what extent its various Departments will utilize these agencies Having taken firm decisions, the local bodies should be fully trusted, assisted and utilized.

In order to enable the Local Government Department to secure the co-ordination at the highest level and make the Departments pay adequate attention to the schemes of the local bodies, it is necessary to set up a statutory State Government Co ordination Board, with the Minister for Local Government as chairman and representatives of the various departments as members Similar boards under the chairmanship of the Deputy Commissioner are necessary at the district level

There is an urgent need for the setting up of a Directorate of Local Bodies to direct, supervise and guide the activities of local bodies, both rural and urban It should be headed by a Director of the rank of a Senior Deputy Commissioner, well versed in the affairs of the local bodies.

There should be a Deputy Director at each Divisional level and a District adviser at the headquarters of each District in the State so that the Directorate can function effectively at all levels In order to avoid concentration of work at the Directorate level, the Deputy Directors should be authorised to correspond directly with the Heads of Departments

The following duties are envisaged for the Directorate

(a) To supervise generally all affairs of the local bodies and advise the government in the formulation of its policies and programmes relating thereto,

(b) To ensure due observance of the provisions of municipal law and the statutory rules, orders, etc,

(c) To evolve model bye laws on all subjects and supply standard plans and patterns to the local bodies, and

(d) To pursue the schemes and development works initiated by the local bodies and removal of difficulties encountered by them.

It is further necessary to give the Director of Local Bodies adequate powers for performance of his functions The Directorate should function more as agency for assisting and guiding the affairs of the local bodies As regards the question of integrating Local Government Directorate with the Director of Panchayats, some definite advantages occur in combining the two allied fields of activities at the Director's level but it may not be conducive to any better results The hands of Director of Panchayats are already full and the activities of this department

will expand rapidly with the ever quickening tempo of the Panachayati Raj. Such inte-gration will not, therefore, be practical proposition.

(i) The local bodies cannot individually afford to engage costly technical staff, much less own the equipment necessary for execution of their works. Wherever the works have been entrusted to Government Departments, inspite of heavy departmental charges paid by local bodies, the preference has always been given to departmental works. There is hardly any agency to review the progress of municipal works imparting to them a sense of urgency.

(ii) A Technical Organisation to plan and execute municipal works such as the one which existed in the former Hyderabad State, is not only desirable but a stark necessity. To enable the organisation to function effectively, the Government should provide initial subsidy on a non-recurring basis for purchase of epuipment, transport, tools and plant; but when once it gets going it should entirely depend upon the contributions from local bodies and other agencies merged into it.

(iii) The organisation could be made more useful if it could also embrace the 'works' activities of the District Boards, Panchayats, Market Committees and also of National Extension Service Schemes.

**II The Functions and Structure of the Local Bodies**

1. (i) The Union, the State and Local Government bodies must be visualized as a single organic hierarchy of authorities functioning at the local, state and national levels and operating in well defined sphere. At present there is a great deal of overlapping in the functioning of the state and local bodies in almost all spheres of activity. In the fields of education, public health, public works, roads etc., the segments of activity of the State and the Municipal Councils should be clearly demarcated in order to avoid overlapping, involving functioning at cross purposes and giving rise to wasteful expenditure and unplanned development in these fields. The detailed demarcation of functions between the Municipal Councils and the State Government should be finalized after obtaining the views of the relevant Departments.

(ii) As the present law does not give a full distinct picture, it is most desirable that the sectors of obligatory and non-obligatory functions of municipal bodies should be specifically defined in the Municipal law.

(iii) One of the major activities and responsibilities of Urban local bodies is to ensure environmental hygiene. It is, therefore,

very necessary that the Department of Local Government should have very close liaison with the Health Department. It is also desirable and necessary to have a complete Health Service as envisaged under the Model Health Act though it may not be necessary for the State Government to assume direct control to the extent recommended. For administrative purposes the Health Officer, even though appointed by Government, should be under the control of the Chief Officer as is the case with the municipal bodies in Madras.

(iv) All Municipal Committees should be completely relieved of the responsibility of running secondary and high schools. The economic capacity of Municipal Committees being limited, they should be required to restrict their educational activity to primary education. It is retrograde step to ask the Municipal Bodies to delegate powers of appointment etc., of teachers to the Inspectorate of Schools when it is open to the Education Department to prescribe the qualifications and pay-scales of the teachers. As in Madras, the administrative control over teachers and educational institutions may vest in the Chief Officer; the Officers of the Education Department should confine themselves to the inspection of Schools.

2. The main weakness of the office of the President today is that existing arrangements give him executive authority only so long as he has a majority vote behind him. The result is that the office of the President has become a pawn in the game of group factions and party intrigues. As to the three alternative institutional arrangements suggested to overcome shortcomings: (i) Direct election of the President will not be conducive to smooth and harmonious working of the municipal government. It is likely to create deadlocks between the President and the members; (ii) The introduction of a Cabinet System in the local bodies, under these circumstances, is beset with serious administrative and political difficulties, and does not seem to offer any particular advantage; and (iii) The establishment of Standing Committee of the Municipal Council, the members of which are elected from among the members of the Municipal Council, is beset with all the disadvantages of the plural executive. Unless the Councils are only left with deliberative functions and confine themselves to principles and policy, there is a danger of two parallel bodies functioning side by side. On the whole, Standing Committee should be preferred to a Cabinet System, as our local representatives are not mature enough to handle departmental affairs independently and efficiently. This experiment may be tried in Class 'P.' Municipal Committees only where the main bodies are not able to exercise effective supervision over the work of its executive functionary. The arrangements would not suit other local bodies.

3. The procedure governing the removal of the President should be made more rigid, while the present system of removal by a 2/3rd vote should continue. The motion for his removal should be signed by at least 1/3rd of the membership of the council, and it should be required to be first presented to the Directorate with a copy to the President and if the Directorate after obtaining the comments of the President therein is satisfied that removal is urged not on personal reasons and *mala fide* intentions, the motion should be allowed to be admitted in which case the motion as well as the comments of the President shall be placed before a specially convened meeting of the Council.

4. There should be no scope for formation of political parties in the municipal affairs; but if there have to be parties, they should be properly organised on the basis of programmes and policies rather on individuals creating group factions and personal intrigues. The evils of the present system in all categories of local bodies can be minimised, if not altogether eliminated, by restricting the functions and interests of the members including the President to complete policy control, full and overall, financial control; and executive control through supervision.

5. Widest authority should be vested in the Municipal Council and the Government control reduced to the minimum necessary only to be exercised in emergencies and in certain other specified contingencies. Along with it, it appears necessary to give the municipal institutions a strong executive which will be amenable to popular control and can function uninterfered with, guided by considerations of civil good rather than individual gain or party considerations. Here, the pattern of the executive functioning in the municipal bodies as organised in the State of Madras has a good deal to commend itself. The Madras pattern is largely based on the system of Council Manager system of U.S.with some marked features, of the Clerk of County Council of England. As in Madras, therefore, it should be possible for the State local bodies to engage the services of a Chief Officer, drawn from the State cadre but at the same time working as its employee amenable to popular control. This officer, who is known as Municipal Commissioner in Madras, should have a defined field within which he can function uninterfered with so long as he functions within the four corners of policy laid down and funds voted. The Chief Officer should be removable and liable to suspension by 2/3rd majority of the Municipal Council.He should be liable to surcharge as other municipal employees for defalcations and tax executive control. The members of the Council should have powers of asking questions and interpellations in regard to the action of the Chief Officer.

6. Adequate delegation of powers will be a great factor in eliminating delays and red tapism and toning up the efficiency of

the internal administrative machine The guiding principle should be that ordinarily the powers delegated to and exercised by a Municipal Head of an institution or section is not less than similar powers given to an officer of the Government of equal rank

7 Greater autonomy should be given to local institutions, providing at the same time for certain institutional arrangements which will enable them to discharge the responsibility which goes with greater autonomy The assumption is that it is only when freedom and initiative are permitted that the necessary experience will develop and a sense of responsibility will grow Nevertheless some degree of overall control, which should more and more take the form of information, guidance and advice should also be laid down

8 The Committee is divided in its opinion on the retention of the Deputy Commissioner in the hierarchy of controlling authorities The Commissioner being the Head of the Division for overall purpose of co-ordination, it would be desirable if he exerciseds along with the Directorate an overall supervision over the affairs of the local bodies It is not only desirable but also necessary that whenever possible and whenever he is on tour he should inspect the local bodies and record his observations for the guidance of the district authorities and the local bodies concerned

9 (i) It is necessary to set up a Local Self Government Institute on the lines of the Local Government Institute, Bombay Alternatively Government may set up a Local Government Training School with adequate provision for theoretical and practical training and refresher course An institution of this kind could also serve the needs of rural local institutions By maintaining a close liasion with the Directorate of Local Bodies, the Institution could serve as a laboratory of ideas for the problems of local bodies (ii) The setting up of a Central Association of Local Bodies will provide the State Government with the much needed constructive criticism and act as a forum for exchange of ideas between the representatives of local bodies and the Government Such an organisation already exists in most other States in India and also in other countries

## III The Municipal Services

1 A comprehensive Code on the lines of the Civil Service Rules Punjab should be drawn up and applied to all classes of municipal employees and they should enjoy the same security as is enjoyed by Government Servants and for this purpose, before any disciplinary action involving reduction in rank or removal is taken against a municipal employee, he should be given adequate opportunity to tender an explanation in his defence There should be a

provision for appeal to the Directorate in consultation with the Local Bodies Services Commission Model scales of pay for various classes of local bodies' employees should be prescribed for adoption by Municipal Councils. Essential qualifications should be laid down for all categories of municipal officers and servants.

2. (i) The recruitment to all other posts, excepting that of Chief Officer, with a salary above Rs. 60/—per mensem but below Rs. 150/—per mensem should be made by an appointment committee, and that all appointments carrying a salary upto Rs. 60/- should be made by the Chief Officer of the Municipal Council.

(ii) The work which has been entrusted to the Public Service Commission is already too much and in order to afford satisfaction to the municipal and rural bodies and also to ensure that the posts are speedily filled, it is necessary to set up a separate Local Body Services Commission.

**IV. Finance and Taxation**

1. The Committee support the recommendations of the Taxation Enquiry Committee concerning the reservation of certain taxes solely for local bodies, and the devolution of powers of taxation to local bodies. The only Government control necessary in regard to power of taxation should be restricted to insistence on Government approval for reduction or abolition of taxes. The powers of the State Government to require a Municipal Committee to levy enhanced taxation in the default of the council should, however be continued.

2 The budgetary procedure needs a drastic revision to be simplified. The Municipal Committee itself should be competent to accord sanction subject to certain conditions, namely, maintenance of minimum cash balance, provision for debt charges etc.

3. The budget document should be split up into two parts, the first containing expenditure in relation to ordinary items. This would represent the ordinary recurring and non-recurring expenditure on staff and maintenance of institutions. The second part of the budget should deal with new expenditure and long-term projects.

4. The powers to accord administrative approval should vest in the Municipal Council, but in its resolution according to the administrative approval, the fact regarding the availability of funds, assessed by Technical Organisation for the execution of works, should be specifically stated, as also the annual maintenance cost and funds earmarked or available thereof.

5. The statutory obligation to obtain financial sanction from the Deputy Commissioner and higher authorities in respect of

various categories of expenditure places a severe restriction on the financial autonomy of Municipal Authorities and is incompatible with the principles of widest autonomy for the self-governing institutions.

6. (i) The implementation of the recommendations of the Local Finance Enquiry Committee and the Taxation Enquiry Commission on Local Finance would go a long way towards ii proving the viability of local bodies, thus enabling them to play their role in the development of the country and the regeneration of civic communities.

(ii) The Committee support the proposal of the Commission to transfer property tax on urban immovable properties to local bodies as also regarding the levy of tax on professions by municipalities and corporations

(iii) (a) The State Government should not take over public utility services, except as a last resort, or for compelling reasons. (b) Larger Municipalities and Corporations should take up the public utility services like, transport organisations, distribution of gas and electricity, etc (c) The Local Bodies should also be encouraged to expand their income by building and running market shops, selling of manures, running flour mills and even by taking to supply activities as would normally be done by Cooperative Societies.

(iv) The State Government should be prepared to give guarantee for the loans floated by grade 'A' Councils For small Committees, the State Government should provide enough funds as loans for productive schemes, and loans as well as subsidy for essential services

7 The place of local bodies in the implementation of the local development schemes should be specifically determined and portion of funds earmarked for particular schemes which can be undertaken through the agency of municipal bodies.

8 (a) The taxes assessed are not collected according to the demand and very heavy arrears are outstanding almost in every local body, particularly in regard to taxes recoverable from Government officials (b) The State Government should be specifically empowered by legislation to order recovery of such taxes on demand from the source at which the salary of the official is paid.

**V. People's Co-operation**

1. Even in the running and maintenance of institutions set up by local bodies no consultatory or advisory bodies have been provided, with the result that the public grievances and criticism

hardly ever come to light, and if they do, they are hardly ever considered and heeded by municipal administration.

2. For ensuring that the municpial institutions are run properly, it will be useful if for each institution there is an *ad hoc* Advisory Committee, comprising Municipal officials serving on the institution and interested non-officials so that the public is afforded an opportunity to contribute to the successful working of municipal administration.

3. Fruitful community participation in the local affairs postulates responsible and creative citizenship. It is, therefore, necessary for Government and the local bodies to adopt effective measures for educating the citizens in the art of citizenship and reducing the prevailing apathy and inertia of the people towards the operations of their local affairs through the agency of elected representative bodies. The measures for that purpose should include teaching of civics, contacts with the local representatives of the press, organisation of "Civic Weeks", and periodical lectures, the publication of annual reports and a Local Government Journal as a Co-operative enterprise by the Councils.

## APPENDIX B

## RAFIQ ZACHARIA COMMITTEE ON AUGMENTATION OF FINANCIAL RESOURCES OF URBAN LOCAL BODIES (1963)

The system of giving grants-in-aid to local authorities to perform their functions, has developed out of necessity As the Central and State Governments burden local authorities with more and more functions they have a moral obligation to assist them to carry out these functions, particularly when the principal sources of revenue have already been tapped by them The principle that grants-in-aid should form one of the important sources of revenue of local authorities, has been accepted all over the world. It has been estimated that in U K grants constituted about 42 per cent of the total local revenues in 1961.

Grants-in-aid to local bodies are necessary for various reasons. Firstly, they provide local authorities a sound basis for administration and planning of their activities. They assure balanced growth among local units by providing a uniform minimum standard of services to all the people regardless of the financial conditions of the local Government They can also be used as an instrument to encourage and stimulate certain policies and programmes, e g family planning which are considered desirable in the larger national interest They also help the development of certain services, for example, education and health which are of national importance The greater the interest of the State in the service, the greater should be the financial aid from the State to the local bodies. The grants also enable local bodies to cover the increased cost of administration, over payment of increased salaries, cost of living, allowance, etc necessitated by the postwar change in the value of money.

Financial assistance from the Central or State Government to the local bodies can be either through grants or through assigned revenues. By "assigned revenue" is meant that the proceeds of certain taxes are exclusively assigned to the local bodies. By "shared revenues" is meant that the proceeds of certain State revenues are shared by the State with local bodies Conflicting opinions have been expressed on the question whether grants-in aid or the assignment or sharing of State taxes is the better

method of rendering financial assistance to local bodies. The Taxation Enquiry Commission expressed the following views :

> "That the additional revenue should be fully made available to local bodies by way of grants-in-aid rather than by way of assignment of a share in the receipts of the taxes levied by the Government firstly because revenue without responsibility would be demoralising and secondly because grants-in-aid can be determined on the basis of needs and be coupled with the maintenance of desirable standards."

On the other hand, the contrary view has also been expressed that it is always better to separate specific sources of revenue to be exclusively exploited by the local bodies as this would provide them with certain revenues of their own and strengthen their autonomy. The Report of the Study Group of the Royal Institute of Public Administration (1956) in U. K. observes as follows :

> "The collection centrally of so much money for subsequent filtering to the local authorities through an elaborate grant system is expensive, irritating and out of harmony with the principles of local self-government".

It has also been argued that the elected representatives of people in the urban local bodies who spend the money have the responsibility for defending their actions before the voters. Accountability to local tax payers will be an incentive towards improved economy and efficiency. "The separation of the pleasure of spending tax money and the pain of raising it is not conducive to economy in Government".

The Minicipal Finance Officers Assocation, Chicago, in the monograph on Municipal Non-Property Taxes, expresses the following view :

> "Local Government should share more fully in certain State collected revenues and the share should come to them as a right and not as a privilege".

More or less the same view has been expressed by Thomas H. Reed in his book *Federal State Local Relations*. He says :

> "......there is in short nowhere else for local Governments to look for any considerable addition to their income except to participation in the proceeds of taxes laid and collected by their senior partners in the business of Government".

The main disadvantage of the system of shared revenues is that it fails to tackle the problem of unequal resources It also creates an additional problem of overlapping tax jurisdictions. Once the allocation of shares departs from the basis of origin, shared revenue virtually becomes a grants-in-aid.

The assignment of separate reveneus also does not solve the basic problem of making available adequate revenues to the local bodies particularly the lower level of municipalities There is also an element of rigidity in the system and like the method of shared revenues, it also fails to tackle the problem of unequal local resources Assigned revenues in effect are just grants with the additional feature that the source from which the money to pay the grant is derived is stipulated by law.

It is true that excessive dependence on grants will undermine the financial responsibility of the local bodies and lead to extravagant expenditure. It is also true to some extent that the State aid to local bodies leads to centralisation and to a certain amount of interference by the State in their autonomy It is also alleged that grants tend to support public services of certain localities at the cost of others There is no denying the fact that in spite of these drawbacks, the system of grants-in-aid has now come to stay and it is not possible to visualise within the near future any system of local finance which could completely do away with grants-in-aid Moreover, the most expensive local government services or national services are administered with a broad element of discretion at local level If the proportion of local expenditure met from grants increases because of this tendency, there is nothing wrong in it since it has been the policy of Government to encourage local authorities to provide and maintain newand extended services Grants also serve the very important purpose of shifting the burden of equally rising costs from regressive local taxation to the more progressive State and National taxes. There is no logical basis for the argument that the revenue from taxes at the disposal of a local authority should not be less than the amount of grants in-aid received by it In State-local government relationship, local government must inevitably be in the position of the junior partner. It should be possible to increase grants and at the same time leave the proportion of expenditure to be found from the local authorities' own resources at a sufficiently high level to ensure that local authorities still had an important financial stake and remained partners and not become agents of the State Government

Grants-in-aid can be broadly classified into two categories, viz recurring and non recurring. Recurring grants are those which are meant to meet the deficiency in the recurring expenditure of local bodies and are, therefore, given annually Non-recurring grants are usually given for some specific purpose to meet the

initial expenditure. Recurring grants may be further sub-divided in to two categories : (a) Block grants; (b) Specific grants. Block grants, also called general grants, are used to supplement the general revenues available for carrying out the normal functions of the local authorities and have no conditions attached to them. They are designed to boost up poor local bodies to the minimum level of income that would be necessary to ensure that all of them are financially able to meet their essential liabilities. The amount of grant may be based on any of the following bases:

( i ) Percentage basis (also known as matching basis),
( ii ) Unit basis,
( iii ) Formula basis,
( iv ) Deficiency basis.

Each of the above-mentioned bases has some advantages and disadvantages The percentage basis method puts a premium on the financial condition of the local body which has the effect of making rich bodies richer and poor bodies comparatively more poor. Unit basis usually takes into consideration population only and as such is more rigid, while in the method based on formula in addition to population, income, expenditure, etc. are taken into consideration which impart flexibility. The grant based on deficiency criteria involves ascertaining the gap between the needs and resources of local bodies.

Specific grants are earmarked for certain specific purposes and carry with them certain conditions to ensure that they are utilised properly. Amount of the grant is determined by any of the methods mentioned under block grants.

As the block grants do not carry with them any condition factor they enable the local authorities to decide on priorities in their own programming and are suitable where it can be confidently expected that they will spend the money properly. The block grants are based on anticipated deficits (deficiency method) in carrying out the minimum programme at certain stages of development. Specific grants are useful in stimulating local action in desired fields and in providing the desired measure of control over the quality of services. The block grants, if distributed too generously, make local authorities less disposed to raise revenues from their own sources and may lead to less prudent use of funds than would otherwise be . The common pitfalls which are inherent in the use of specific grants are that ( i ) they become too numerous, too narrowly defined or too generous, leading to rigidities and distortions in the objectives and programmes of local authorities; (ii) differences in wealth of different areas are widened; (iii) the reporting and stipulations attached to grants

become unduly burdensome which sometimes negate the very purpose of local government

The advantages and disadvantages inherent in block and specific grant systems show that neither of them is useful if followed exclusively A combination of both the methods is likely to be more useful and meaningful, where local authorities are to assume increasing responsibility for direct services and development activity.

It is obviously not possible for us to evolve a common code of grants-in aid which can be followed by all the States It is obvious that within certain well defined principles, each State should form its own Code taking into account the existing financial positions of the different categories of local bodies in the State and also the nature of functions entrusted to them The principles recommended by the Taxation Enquiry Commission should be followed by all the States The following additional principles are also recommended

(a) For the purpose of evolving the principles in accordance with which such grants should be made, the urban local bodies should be classified into six groups

(i) Class A Corporations—Metropolitan cities and big industrial centres

(ii) Class B Corporations/Municipalities—Covering cities with more than five lakhs population.

(iii) Corporations and Municipalities with more than one lakh but less than five lakhs populatian,

(iv) Municipalities with more than 50,000 but less than one lakh population.

(v) Municipalities with more than 20,000 but less than 50,000 population

(vi) Municipalities, Town Area Committees and Notified Area Committees with less than 20,000 population

(b) The Committee recommends that the urban local bodies should get a recurring annual per capita basic general purposes grant at the following rates

| | | |
|---|---|---|
| ( i ) Class A Corporations | 0 25 | paise |
| ( ii ) Class B Corporations/Municipalities | 0 25 | ,, |
| ( iii ) Corporations and Municipalities with more than one lakh but less than five lakhs population | 0 50 | ,, |

( iv ) Municipalities with more than 50,000 but less than one lakh population — 0.75 „

( v ) Municipalities with more than 20,000 but less than 50,000 population — Re.1.00 „

( vi ) Municipalities, Town Area Committees and Notified Area Committees with less than 20,000 population — Rs. 1.50

( c ) With regard to specific grants, the Committee is of the opinion that for water supply and drainage schemes, grants should be made on the following lines:

| | |
|---|---|
| ( i ) Class A Corporations | No grant should be given but State and Central Governments should give all assistance in securing loans on liberal terms. |
| ( ii ) Class B Corporations/ Municipalities | Some grant may be necessary but this may be decided by the State Government after taking into consideration all the relevant factors with a view to make the project a practical proposition. |
| ( iii ) Corporation and Municipalities with more than one lakh but less than five lakhs population. | 10 per cent of the total cost of the scheme should be contributed by the municipality. 66 2/3 percent to be raised as loans by the municipalities and the State Government would give the necessary guarantee. 23 1/5 per cent would be given as grant. |
| ( iv ) Municipalities with more than 50,000 but less than one lakh population. | 10 per cent contribution by the municipalities with Government guarantee and 40 per cent grant. |
| ( v ) Municipalities with more than 20,000 but less than 50,000 population. | 10 percent contribution by the municipalities. 40 per cent loan to be raised by the municipalities with Government guarantee. 50 per cent grant. |

| | |
|---|---|
| ( vi ) Municipalities, Town Area Committees and Notified Area Committees with less than 20,000 population | 10 percent contribution b the local bodies 30 percent to be raised as loans with Government guarantee 60 per cent grant |

( d ) A more liberal pattern of financial assistance should be adopted for large pilgrim centres, places of tourists' interest, hill towns and towns where due to technical difficulties the cost of water supply schemes is unusually high In the cases of these local bodies, a minimum contribution by the local body need not be insisted upon and the percentage of grant assistance can be incre ased according to the circumstances ot each case

( e ) For developmental activities such as public health measures, parks and gardens, sports stadia, theatres, libraries, swim ming pools, etc grants may be given to the extent of 25%

( f ) To cover the increased administrative costs over pay ments of increased salaries, cost of living allowance, etc at least 50 percent grant should be given

( g ) Wherever the State Government does not itself run primary schools in urban areas these schools should be run by the municipalities and they should be given the same financial assis tance that is being given to the zila parishads for running primary education in the rural areas It would be against democratic prin ciples to entrust the Management of primary schools in urban areas to zila parishads which are not responsible to the urban population

( h ) Wherever the local body is also levying education cess, the gap between the total expenditure incurred by it over primary education and the proceeds of the education cess should be made up by the State Government With regard to the cost of constru ction of primary school buildings and purchase of equipment, the cost of land plus 30 percent of the total expenditure over buildings and equipment should be borne by the municipalities while 70% of the total expenditure should be given as grant by the State Government

In States like Kerala where a liberal pattern of financial assis tance through grants is *already in existence and is working satisfa*ctorily, the existing system may continue

For each of the six groups of urban local bodies a certain minimum level of services should be aimed at and the grants should be so arranged that there is not wide disparity in the levels of municipal services between local bodies belonging to the same group

At present there is a tendency to give a large number of grants for comparatively unimportant purposes covering insignificant amounts. It is better to abolish these trifling grants outright and merge them into bigger block grants.

Grants should not only provide financial assistance where needed to the local bodies but also enable them to fulfil certain desirable objectives like raising the level of civic services qualitatively and quantitatively.

Due allowance should be made for needs, means, incentives, controls, etc. for example, grants for schools should depend not merely on expenditure over schools but also on the population of school-going children, the number of trained and non-trained teachers in the staff, and perhaps the performance of students in the examination.

Certain incentive grants should also be devised which are directly related to the level of local revenues and the level of civic services, both qualitative and quantitative provided by the local body. One possible method would be the introduction of a slab system of grants, i. e. giving grants at increasing rates over certain levels of revenue and expenditure performance.

We are not in favour of the cent-per-cent grant recommended by the Kerala Committee in certain extreme cases. It is not advisable to give a greater amount of grant than what is necessary to provide real incentive for good management, but will put the local bodies into a position of greater dependence on the State Government. It will encourage the tendency on the part of the municipal councillors to rest on their oars and allow the State Government to propel the boat. We may conclude with the following extract form a Study on Central Government Services to Local Authorities conducted by the International Union of Local Authorities:

> "The whole problem of grants-in aid illustrates most clearly the main theme which recurs in the whole financial field, i. e. that it is very difficult and sometimes impossible to say whether certain measures taken by the Central Government aim to strengthen local government or whether they constitute, possibly, disguised methods of supervision and control"

**Summary Of Main Recommendations**

(1) All schemes pertaining to urban development should be brought together and executed in a co-ordinated manner within the framework of a master plan of comprehensive development.

Every master plan should be translated into a master programme consisting of a number of specific schemes and each local body should prepare five-year City Development Programmes in accordance with which the various schemes in order of priority would be executed. These programmes should also indicate how much the local body would be able to contribute out of its own resources towards their implementation and what should be the extent of subsidy from the State or from the Centre Once such City Development programmes are worked out and they are integrated with the State plan and ultimately in the National plan, the problem of finding resources for implementation of the master plan would become very much simpler.

[Chapter III, paras 6-10]

(2) A statutory Urban Development Board should be set up in each State which should be empowered to acquire lands and properties wherever necessary and undertake most aspects of town development The Board may also statutorily undertake water supply and sewerage schemes in respect of specified regions It can also function as Central Loans Institution which would supply long-term as well as short-term credit to the local bodies The initial capital for the Urban Development Boards should come out of the total provisions made in the plan for urban development. The Board should also be empowered to raise resources of their own and should also explore the possibilities of financial assistance from various international AID Agencies.

[Chapter III, paras 11-14

(3) The property tax should be administered under conditions which would give best possible results. To utilise this tax properly, the following measures are recommended.

(a) A Central Valuation Department should be set up in each State to get the work of assessment of properties in different municipalities done and also take up systematically at regular intervals re-assessment of urban properties.

[Chapter V, para 8]

(b) The property tax should be freed from the restrictive influence of the Rent Control Act either by imposing a 25 per cent surcharge on the existing property tax and allowing the property owner to shift the entire burden of this surcharge on the tenants or by a suitable legal provision which would enable recovery of the difference between the property tax based on standard rent from the property-owner and allowing him to treat this difference as arrears of rent for the purpose of recovery.

[Chapter V, para 9]

(c) The definition of "Land and Buildings" should be suitably modified on the lines of practice prevailing in England. A comprehensive Code for Assistant of Rental Value should be drawn up with the assistance of one or two Assessors and Legal Experts.

[Chapter V, para 23]

(d) In every State, there should be a separate cadre of municipal employees and the Chief Executive Officers of all urban local bodies should be deputed from this cadre except for certain specified posts.

[Chapter V, para 25]

(e) A standard percentage of collections should be prescribed and any municipality which fails to achieve this percentage without adequate reasons should be disqualified from receiving any Government grant or loans.

[Chapter V, para 24]

(f) If the collection percentage in a particular local body falls below the prescribed percentage, the State Government should direct severe disciplinary action against the Chief Executive Officer and the Collection Staff. Action may also be taken against the president of the municipality and even inspite of this if there is continued neglect, this should be considered as sufficient ground for supersession of the municipality.

[Chapter V, para 26]

(g) A statutory minimum and maximum should be fixed for property tax. A provision should also be made in the municipal Act to enable the State Government to impose property tax at any rate considered reasonable by the State Government if the municipality fails to impose tax at that rate.

[Chapter V, para 27]

(h) The State Government properties and Central Government properties should be subjected to property tax and service tax in the same manner as any private property.

[Chapter V, para 28]

(i) The practice prevailing in England in respect of assessment of machinery and plant, should be adopted by our urban local bodies so that industries are made to contribute adequately to the cost of services provided by urban local bodies.

[Chapter V, para 39]

(4) Octroi in its present form should be gradually replaced either by a turnover tax or by a surcharge on sales-tax or by some

other method which may cover the same sphere of taxation but would be free from the evils of the octroi system

[Chapter V, para 43]

(5) The maximum limit of profession tax in the case of an ndividual should be raised from Rs 250 to Rs 500 and in the case of companies to Rs 2,000 by suitably amending Article 276 of the Constitution The levy of profession tax should be made obligatory

[Chapter V, para 51]

(6) Licensing system should be made more efficient and more comprehensive

[Chapter V, para 61]

(7) Urban local bodies should be encouraged to take up remunerative activities which would create permanent assets yielding perennial non-tax income As far as possible these remunerative activities should be financed out of a revenue fund

[Chapter V, para 65]

(8) As recommended by the Taxation Enquiry Commission, the following taxes should be reserved for exclusive utilisation by or for the local bodies

(i) Tax on lands and buildings popularly known as property tax

(ii) Tax on entry of goods into the area of local authority for consumption, use or sale therein

(iii) Tax on professions, trades and callings

(iv) Tax on vehicles other than mechanically propelled

(v) Tax on animals and goats

(vi) Tax on advertisements other than newspaper advertisements

[Chapter VI, para 7]

(9) To begin with, at least 25 per cent of the proceeds of the entertainment tax should be earmarked for the urban local bodies and this percentage should be gradually raised so that ultimately the entire proceeds of this tax are assigned to the urban local bodies The entire proceeds of any surcharge that is being levied on the Entertainment Tax should be straightway handed over to the local bodies The theatre tax and the show tax could be administered by the local bodies themselves but in cases where these taxes are levied by the States, their proceeds should be ear-

marked for the local bodies. The proceeds of the entertainment and other allied taxes need not necessarily be distributed on the basis of population or the source from which the tax originated. The State Government should have the discretion to distribute it on the basis of needs of different categories of local bodies.

(Chapter VI, para 8)

(10) At least 25 per cent of the proceeds of the motor vehicles tax should be earmarked for local bodies and a formula should be evolved to distribute the proceeds to the different local bodies on the basis of population, mileage of roads maintained by them, volume of traffic, etc.

(Chapter VI, para 11)

(11) (These recommendations relate to Grants-in-aid dealt with fully.)

(12) The debt of remunerative enterprises should be a charge on the revenue derived from these enterprises. There should, however, be staggering of dates for paying instalments for the repayment of loans at least for such period till the enterprise really becomes remunerative. Local bodies should not be allowed to borrow indiscriminately from the open market but should borrow their entire loan requirements either from the State Government or from a Central Loans Institution like the Urban Development Board.

(Chapter VIII, paras 18-19)

(13) The proposed Bill for levy of terminal tax on passengers and goods carried by rail should now be enacted by the Government of India. For such time, till the Bill is enacted, the railways should make recurring annual grants to the State Governments for the development of the urban areas from where the rail earnings mainly arise and this grant should be based on the approximate estimated yeild from the terminal tax if it is actually levied in terms of the proposed Bill.

(Chapter IX, para 2)

(14) To tax 'floating' population who come to metropolitan cities and important centres of trade and industry from a distance of within 150 miles, a tax which should be in the nature of a small surcharge on railway fares and bus fares should be levied. The entire proceeds of this tax should also be made over to the urban local bodies concerned.

(Chapter IX, para 5)

(15) For mopping up unearned increments in land values an urban land tax should be levied on the market value of urban land irrespetive of the value of the buildings standing on it. When the property is proposed to be put to more profitable use, a development charge may be levied before permission is given to change the land use. The proceeds of these taxes should be made over to the urban local bodies wherever they are responsible for implementation of the master plan or to improvement trusts or development boards as the case may be.

(Chapter IX, paras 19-21)

(16) Where the States are already levying tax on the consumption of elecricity surcharge should be added to the existing duty and the proceeds of this surcharge should be made available to the urban local bodies Where no such duty is in force, the urban local bodies by suitable amendment of the municipal enactments, should be authorised to impose tax on the consumption of eletricity at a rate not exceeding 10 per cent of the existing eletricity rates

(Chapter IX, para 24)

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# APPENDIX C

## THE RURAL-URBAN RELATIONSHIP COMMITTEE ON STATE DIRECTORATES OF LOCAL BODIES

Para 11–14. **State Directorate of Local Bodies :** The Committee feel that a well-organised Directorate at the State level with effective regional inspecting staff should go a long way towards improving the system of direction, supervision, and control of local bodies. It should guide and advise local authorities in the solution of their current and future problems and advocate their cause with the relevant departments. The Director and the Inspectors should function as friends and guides of local bodies. A body of inspectors for scrutinising the work of local authorities and keeping the State Government in touch with their special needs would also serve as a source of information for the State and local officials.

Para 11-16. **Organisation and functions :** The Committee are aware that it will take some time to build a well-organised set-up in States for promoting the healthy growth of local bodies. The Committee recommend that there should be :

(a) A Directorate of Urban Local Administration at the State Headquarters under the charge of a senior officer, preferably one who possesses experience of municipal administration.

(b) A personnel Section in the Directorate to control and regulate the State cadres of municipal employees and guide and advise local authorities about personnel management and training.

(c) A Central Valuation Section to guide and control the work of Valuation Officers and to act as the appellate authority for valuation of property.

(d) A Planning and Finance Cell to guide and assist urban authorities in preparing their Five Year Plans on a uniform pattern as part of the State Plan. The Cell shall act as a liaison between the functional and technical

departments of the Government in the planning and execution of their programmes in the urban areas It will also collect data, analyse information and intelligence, prepare documents and circulate them among the local bodies

(e) An Inspectorate at the field level, with one inspector for each division or a group of districts

(f) A section under the direct control of the Director, aided by inspectors to give general direction and exercise supervision over the working of local bodies The inspectors shall submit regular reports assessing the working of local bodies and bringing out their difficulties and suggesting remedial action The section must also undertake the work of drafting model byelaws and rules and advise the State Government of changes in the law relating to urban local authorities

Para 11-17 **Relation with technical departments** The functions of the Directorate as given above do not include technical guidance and assistance in town planning and development and designing and execution of major works such as water supply sewerage and sewage disposal Recently, some State Governments have set up Town Planning Departments The Committee recommend that a well-equipped Town and Country Planning Organisation should be established in every state to assist the municipal councils in the preparation of master plans The organisation may also prepare regional plans providing the framework for local plans The Committee further recommend that every State must have specialised organisation for public health engineering and water supply sewerage and sewage disposal These two technical services should function in close co operation between themselves and with the Directorate of Local Bodies to ensure constant consultations and well co ordinated field activity

Para 11-18 **Audit of accounts** Another important matter that would require the constant attention of the Directorate is the audit of accounts Audit will continue to be the responsibility of the Examiner of Local Fund Accounts but it should become more meaningful and purposeful Audit must play a more effective and positive role in improving the working of the local bodies There are a large number of audit objections remaining undisposed of but many of them are of a routine character relating to procedural matters It is necessary that the more serious objections should receive prior and careful attention The Directorate should be able to give suitable directions and indicate specific aspects on which probe is needed

# RURAL-URBAN RELATIONSHIP COMMTTEF ON OBLIGATORY FUNCTIONS OF URBAN LOCAL BODIES

## I. Public Health and Sanitation

(a) Supply of safe and potable water and provision for inspection and analysis of piped water;

(b) regulating or abating offensive or dangerous trades, callings or projects;

(c) removing noxious vegetation and abating all public nuisances;

(d) public vaccination and inoculations, prevention and control of contagious, infectious and dangerous diseases;

(e) prevention of pollution of water and air;

(f) provision for rodent control;

(g) acquiring, maintaining and regulating places for the disposal of dead bodies including crematoria, cremation grounds and burial grounds and disposal of unclaimed human dead bodies and carcasses of animals;

(h) disposal of stray dogs and wild animals;

(i) school health programmes;

(j) clearing public streets, places and all spaces, which are open for enjoyment to public;

(k) collection and disposal of night soil and rubbish and preparation of compost manures;

(l) constructing and maintaining public latrines and urinals;

(m) construction, maintenance and cleansing of drains, sewers drainage works and sewage works; and

(n) prevention of food adulteration.

## II. Medical Relief

(a) Establishing and maintaining public hospitals, dispensaries, maternity, child welfare and family planning centres, and ambulance service;

(b) maintaining and assisting the maintenance of veterinary hospitals; and

(c) provision for anti-rabic treatment.

## III. Public Works

(a) Construction, maintenance, alteration and improvement of public streets, bridges, subways, culverts, causeways and the like;

(b) control and regulation of building activity,

(c) lighting public streets, places and buildings,

(d) planting and maintaining trees on roadsides and other public places,

(e) provision of housing for conservancy staff,

(f) securing and removing dangerous buildings and places, and

(g) construction aad maintenance of cattle ponds

**IV Education**

Establishing and maintaining pre primary and primary schools

**V Development**

(a) Constructing altering and maintaining markets shop ping centres, slaughter hous es, baths, washing places, dhobighats drinking water stand posts, wells, public parks, gardens water troughs for cattle and maintaining tanks and grazing grounds

(b) construction and maintenance of parking places and vehicle stands,

(c) improving agriculture including reclamation of waste land in the rural pockets inside municipal limits,

(d) preparation of comprehensive plans for development and growth of the town

**VI. Administration and General .**

(a) preparation of annual and other reports,

(b) maintenance and development of municipal property,

(c) naming and numbering of streets, public places, and premises

(d) erecting substantial boundary marks defining the limits of municipal areas,

(e) regulation of traffic and provision of traffic signs,

(f) removing obstructions, encroachments and projections from the public streets, places and spaces,

(g) registering of births and deaths and vital statistics,

(h) protecting life and property from fire hazards and making arrangements for extinguishing fires,

(i) fulfilling obligations imposed by law and enforcement of rules, bye-laws, etc ; and

(j) promoting well-being of municipal employees and their dependents.

## DISCRETIONARY FUNCTIONS

**Public Health and Sanitation**

(a) Acquiring or assisting in the acquisition of suitable places for carrying on offensive and protected trades;

(b) establishing and maintaining farms of factories for the disposal of sewage;

(c) organisation, maintenance and management of chemical and bacteriolog'cal laboratories for detection of disease, adulteration of foodstuffs and drugs and research in the field of public health; and

d) watering public streets and places.

**II. Pub Works**

(a) Construction of dwellings for the poor and homeless;

(b) providing housing accommodation for employees of local body; and

(c) establishing and maintaining relief works at the time of natural calamities like fire, famine, flood, scarcity, etc.

**III. Education and Social Welfare**

(a) Establishing, maintaining and assisting institutions of secondary and higher education;

(b) undertaking cultural activities and assisting cultural institutions;

(c) establishing, maintaining and assisting institutions of physical culture;

(d) undertaking measures and programmes for social and moral welfare of the citizens;

(e) provision of milk or midday meals for school children;

(f) undertaking measures for and assisting adult literacy and social education;

(g) undertaking urban community development programme and promoting public participation;

(h) organisation, maintenance and assistance to institutions for infirm, sick, or incurable persons,

(i) supply of milk to expectant or nursing mothers or infants,

(j) providing and assisting the establishment of homes for orphans and destitutes, and

(k) constructing, establishing and maintaining libraries, museums, community halls, swimming pools, places for entertainment and recreation, etc.

**IV Development**

(a) Development of building sites, construction of houses and their disposal,

(b) encouraging formation of co-operative house building societies and giving assistance to such societies,

(c) undertaking schemes of slum clearance and programmes of redevelopment, and

(d) provision of suitable accommodation for calves, cows, etc

**V. Public Utilities**

(a) Supply of electricity and gas,

(b) city transport services, and

(c) milk supply schemes and setting up of dairies poultry and dairy farms

**VI Administrative**

(a) Contributing to and participating in the activities of the local government institutes, training centres and associations of local bodies,

(b) arranging public receptions, ceremonies, entertainment, sports, etc.

(c) arranging and controlling fairs, melas and exhibitions

(d) constructing and regulating the use of lodging houses, camping grounds, tourist bureau and rest houses,

(e) establishment and maintenance of printing press and workshop for municipal and private work, if possible;

(f) taking measures to control beggars and vagrants and providing for their relief;

(g) undertaking commercial and industrial activities; and

(h) conducting censuses and surveys.

**VII. Miscellaneous**

(a) Establishing and maintaining nurseries for trees, plants and vegetables;

(b) constructing and maintaining granaries, godowns, cold storages, warehouses and sites for preservation of foodgrains, foodstuffs and vegetables; and

(c) regulation of weights and measures.

## APPENDIX D

## REPORT OF THE COMMITTEE ON MUNICIPAL FINANCE, ASSAM, 1968

The Committee on Municipal Finance has in its report to the State Government recommended that valuation for assessment of property tax should be carried out by an independent agency to be appointed by the Government with a reviewing Committee of three members, and that the power to levy professional Tax should be transferred to the local bodies and till this is done, the whole tax receipt should be allocated to the local bodies after deducting the administrative cost

Among the other important suggestions made by it are: (1) Government of India should be moved for payment of property and service taxes by the Government of India and the Railway Board for their properties within the limits of local bodies ; (2) 25 percent of the receipt of the Motor Vehicle Tax should be distributed to the local bodies on their population basis, (3) the Entertainment Tax Act should be amended so as to allocate 50 percent of the receipt to the local bodies; (4) local bodies should be allowed to levy show tax and tax on taxi and bus stand; (5) surcharge @ 2½ percent on the Sales Tax should be levied for allocating 50 percent of the tax to the local bodies, fee should be levied on permits for construction of houses; (6) payment of interest on loans for National Water Works schemes should commence after the completion of the works, the period for redemption of loans taken under the National Water Supply and Sanitation programme should be increased from 30 to 40 years, Government should increase grants for maintenance of P.W D. roads and drains, Govern-

ment should insist on a satisfactory standard of collection of taxes every year at the time of distributing grants, all water works schemes should be on the basis of 50 percent loans and 50 percent grants; (7) a clear and comprehensive policy should be laid down for granting loans to local bodies for water supply, drainage, slum clearance, housing schemes; etc, and (8) Government should appoint Revenue Officers in Municipal Boards for the sole purpose of tax collection, Government should appoint Executive Officers in Municipal Boards and administrative, Finance and Budget control should be tightened by issuing instructions to the Commissioners and Deputy Commissioners with account on regular annual inspection of the local bodies.

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# APPENDIX E

## REPORT OF THE TAXATION ENQUIRY COMMITTEE, KERALA, 1969

The Taxation Enquiry Committee appointed by the State government under the chairmanship of Dr M.F.K. Thavaraj of the Indian Institute of Public Administration, New Delhi has, in its final report, suggested the setting up of a permanent Finance Commission with a regular secretariat.

Among the other recommendations made by it are (1) the Centre should take the required initiative in exploiting for the benefit of the States all the taxes enumerated in Article 269 of the Constitution, (2) The commodities already handed over to the Centre for levy of additional excise duty may be brought back to the ambit of State sales taxation. Till this is done, the Centre should tap more intensively the additional excise duty on these commodities (3) The Centre has made occasional inroads into the divisible pool of taxes, this practice should be given up (4) it is desirable that a high-powered commission be set up to review the various constitutional issues and practices affecting Centre-State relations, (5) the Centre should write-off the unremunerative portion of the outstanding debt of States and should confine loan financing to the productive schemes, (6) to enable governments to collect an additional tax by aggregating agricultural and non agricultural incomes, suitable legislation may be passed by parliament exercising the residuary powers under Entry 97 of the Union List, (7) the recommendation of the Committee of Ministers constituted by the Central Council of Local Self government that "all Central government properties should be made liable to levy of full taxes by the local bodies in the same manner in which the State Government properties are, or for that matter any private property is, liable", may be implemented, (8) there should be a valuation machinery to determine the value of lands throughout the State, (9) food grains and firewood, being articles of mass consumption, may be exempted from sales tax, (10) a Committee may be constituted in the sales tax department to examine all the existing forms and registers and to make recommendations to simplify them to the extent possible and to eliminate those which do not serve any useful purpose, (11) the financial advisers of

government industrial concerns should not only be expert in the field of financial management but should have adequate experience in industrial management and marketing; (12) a management cadre may be created for running all the commercial and industrial units in which the government of Kerala has effective control. All officers in the government administrative services may be given option to join the management cadre; (13) a Kerala Local Finance Corporation may be established, similar to the Municipal Finance Corporation recommended by the Rural-Urban Relationship Committee. It should have powers to issue debentures and to raise market Loans under the State Government's guarantee; and (14) in order to achieve a greater degree of rationalisation in the sales tax structure the following changes may be effected: (I) the sales tax on luxury goods may be raised from twelve per cent to fifteen percent; (ii) low priced radios and transistors may be taken out of the list of luxury articles and the tax thereon reduced to five percent (single point);(iii)bullion and specie, precious stones and ornaments made of gold and silver may be classed as luxury articles and taxed accordingly.

## APPENDIX F

## REPORT OF THE COMMITTEE ON THE MANAGEMENT OF LOCAL GOVERNMENT, U.K., 1967

The Committee was appointed by the Minister of Housing and Local Government " to consider in the light of modern conditions how local government might best continue to attract and retain people ( both elected representatives and principal officers) of the calibre necessary to ensure its maximum effectiveness. "

There was a feeling in the country that although excellent work was being done by many of the 43,000 men and women members of the 1,450 councils elected to govern the towns, counties and rural districts of the country and by many of the 1,900,000 paid servants of those councils, yet the country was not getting full value in terms of human happiness for the time and money spent It was partly due to defects in the present local government structure of areas, authorities and functions But it was also due to other causes, and it was with these that the Committee had been concerned in this Report.

In the opinion of the Committee there were three main reasons for these defects First, it was due to the survival of the nineteenth century tradition that council members must themselves be concerned with actual details of day to day administration In consequence, the local authorities still rely on an elaborate system of committees and sub committees, and the paid officers are not sufficiently trusted to take action without reference to members Secondly, Parliament, Ministers and the Whitehall departments have come increasingly to lose faith in the responsibility of locally elected bodies People of the required calibre will not make themselves available, either as members or officers, unless this tendency is reversed If local democracy is wanted in U K , the national government must give local athorities a large measure of home rule, and finally, in local government often there is too wide a gulf between the governors and the governed.

The value citizens shall get from time and money spent on local government will depend on the calibre of Council Members

and their paid servants, on the way they organise their work, and on the degree of mutual understanding established between them and the people of the local communities they serve. Each authority, therefore, will have to solve its own problems of internal organization and relationship to the local community. And on the solution of such problems will largely depend the calibre of men and women offering themselves for election as Council Members or seeking a paid career in local government. In the light of this background the Committee made the following recommendations to reform the management of local government in U. K.

**Internal organization of local authorities**

(1) There should be a clear division of labour between council members and officers on the following lines: (a) Ultimate direction and control of the affairs of the authority should lie with the members; (b) the members should take the key decisions on the objectives of the authority and on the plans to attain them; (c) The members should review, periodically, progress and performance of the services; (d) The Officers should provide the necessary staff work and advice so that the members may set the objectives and take decisions on the means of attaining them; (e) The Officers should be responsible for the day to day administration of services, decisions on case work, and routine inspection and control; and (f) The officers should be responsible for identifying and locating the particular problem or case which in their view, and from their understanding of the minds of the members, has such implications that the members must consider and decide on it.

(2) The council members must exercise sovereign power within the authority and accept responsibility for everything done in the name of council. But having settled the policy they must delegate to officers the taking of all but the most important decisions.

(3) Local authorities should establish a managing body, to be called 'the management board' composed of from five to nine members of the council, with the following functions (a) To formulate the principal objectives of the authority and to present them together with plans to attain them to the council for consideration and decision; (b) To review progress and assess result on behalf of the Council, (c) To maintain, on behalf of the council, an overall supervision of the organization of the authority and its coordination and integration; (d) To the decisions on behalf of the council which exceed the authority of the principal officers, and to recommend decisions to the council where authority has not been delegated to the management board: and (e) To be responsi-

ble for the presentation of business to the council subject always to the rights of members under standing orders

(4) Committees should cease to be executive or administrative bodies. No committee should have more than 15 members Their main functions should be deliberative in the sense that. (a) They make recommendations to the management board on the major objectives of the authority and study and recommend the means to attain these objectives, they examine new ideas which they and other organs, have formulated, (b) They have a duty to review progress on plans and programmes and on the operation of individual services as the management board does for the whole range of services, (c) They cons der the interests, reactions and criticisms of the public and convey them to the officers and if necessary to the management board, and (d) They consider any matters raised by their own members or referred to them by the management board.

(5) There sholud be as few committees as possible, perhaps not more than nalf-a-dozen even in large authorities i ach committee should concern itself with a group of subjects, for example child care, personal health and welfare might be the concern of a single 'social work' committee.

(6) Committees should take executive decisions only in exceptional circumstances when the management board requires them to do this. These fields of decision taking should be strictly defined by the management board and it should be made clear that the committees issue instructions to the officers only on these matters

(7) The management board should be the sole channel through which business done in the committees reaches the council It would itself formulate and present proposals requiring council approval It would also propose the establishment and dis-establishment of committees It would serve as the focal point for management of the authority's affairs and supervise the work of the authority as a whole.

(8) If the council is organized on party politics lines, the minority party should be offered representation on the management board, thus knowledge of council business would be shared, and the experience gained by minority party members would prove valuable if, after an election, their party secured a majority of council seats

(9) A Council should be free to pay the members of its management board a part time salary (Say £ 1,000 a year in the

largest authorities), additional to any allowances payable to ordinary council members.

(10) Each authority should appoint a clerk as undisputed head of the whole paid service of the council. He should not necessarily be a qualified lawyer but should be chosen for qualities of leadership and managerial ability. He would be chief officer to the management board and through it to the council. The duties of the clerk should include ensuring; (a) The effectiveness and efficiency of the organization and the coordination of its activities (b) That the management board is adequately serviced to carry out its responsibilities by providing coordinated and integrated staff work and seeing that its decisions and those of the council are implemented; (c) That, effective control systems are devised and applied; (d) That, under his leadership, principal officers work as a team, that able officers are given opportunities for self development with responsibilities to match their talents and that initiative and innovation are encouraged; (e) That secretarial services are provided for all committees; and (f) That an effective establishment organization is set up to secure economy in the use of manpower.

(11) Departments should be grouped under not more than, say, half-a dozen principal officers and they should form a team under the Clerk's leadership and report to the Council through him.

(12) The principal officers should advise the management board and the committee as necessary and provide the necessary staff work together with professional and technical advice as requested.

(13) Emphasis should be placed on the collective responsibility of the management board for what they decide as a majority and not on the individual responsibility of a member, although individual members of the management board should have special spheres of interest and speak on them.

(14) The full council would debate and decide questions put to it by the management board, which would sometimes circulate before debate 'white papers' on important issues of policy. Full opportunity should also be given in council for members to ask questions and take motions for debate.

(15) It would be essential for the management board to retain the confidence of at least a majority of council-members. If it lost this confidence it would resign and the council would appoint a new board.

## RELATIONS BETWEEN CENTRAL GOVERNMENT AND LOCAL AUTHORITIES

(16) There must be a fundamental change in the attitude to local government of the national authorities. The trend of recent legislation and the practice of government departments have been steadily reducing the discretion of local authorities and converting them into agents of Ministers and Whitehall. This tendency must be arrested and reversed; otherwise persons of the calibre required for effective local democracy will not offer themselves for election.

(17) The Government, in consultation with the local authority Associations, should examine existing legislation to see what provisions might be repealed with a view to leaving local authorities the maximum freedom in organising their affairs and carrying out their work. Local authorities should be given (as in Sweden and other countries) a general competence' to do what they think necessary for the good of the people they serve.

(18) Local authorities must be allowed to determine their own internal organisation. Legislation prescribing the appointment of particular committees for education, child care, health, welfare, etc, must be repealed.

(19) The Government should consider setting up an enquiry in the hope that it may be found possible to appoint a single Minister who would be responsible for coordinating the policy of the Central Government in so far as it bears on the functions of local authorities (e.g. of housing, education, public health, transport, etc).

(20) The Ministers should play no part in the appointment or dismissal by local authorities of the principal officers.

(21) Councils should themselves determine the scale of financial allowances which members can claim, but the appropriate Minister should sanction the scale of part-time salaries payable to members of management boards.

(22) In the interest of the national economy, Whitehall must continue to control local programmes of capital investment, but this control should no longer be used to prescribe the details of the programme.

(23) The whole complex of central administrative control needs to be revised, reduced and simplified.

(24) The taxing powers of local authorities must be strengthened and the dependence of local government on central finance reduced.

(25) There is a need for a new organization to represent and promote the common interests of all types of local authority in relation both to central government, and to the public. This organization, to be called, perhaps, the Local Government Central Office would bring together such central institutions as already exist. The cost of this organization should be shared between all local authorities, as they all would benefit from it. This organization should include sections to : (a) review in collaboration with the central government the powers of local authorities and the administrative controls exerted by the departments; (b) carry out or promote research, and gather intelligence and statistics, relating to the range of services which local government provides, the internal organization of local authorities and the development services; (c) operate the central staffing organization (as proposed by the Committee on Staffing) together with the Training Board; and (d) provide a source of information for members so that they can keep abreast of developments.

## PUBLIC AND LOCAL AUTHORITIES

(26) The gulf at present separating the local governors from the public must be bridged and the intelligibility of local government greatly increased.

(27) Elections to all types of local authorities should take place every three years and on the same day throughout the country The system of annual elections whereby one-third of the councillors retire every year result in timidity of outlook by local authorities and the absence of a long-term view. The present variety of electoral systems is partly responsible for the fact that half the electorate does not vote at local elections and over half the seats are uncontested. The system of triennial elections should be applied in all types of local authorities.

(28) In even the largest authority the council should not consist of more than 75 members. Each ward should be represented by only one member.

(29) The office of alderman should be abolished and seventy should be the maximum age for standing for election.

(30) Local authorities should make greater use of the cooption of additional members to committees as a means of involving in some aspects of local government a large number of people with special knowledge. These coopted members should continue to have the right to vote.

(31) Released by the council's better internal organization from the tyranny of detailed agenda papers and sub-committee meetings, Council Members should spend much more time in personal contact with their constituents

(32) Schools should make the preparation of older children to play an active and useful role in their communities in adult life an important element in the curriculum, schools should consider how they may standing of the community's physical and social environment and the way its needs are met and of their responsibilities to it The coming generations should have more chance of regarding local government as the lively democratic activity of good neighbours, rather than something deadly, dull and irrelevant

(33) Closer relationships should be developed by local authorities with voluntary organizations to supplement the work of the the authority and to assist in the association of the community with that work

(34) Local authorities should set out major proposals or issues in council papers as public documents, on the analogy of 'White Papers', with a wide circulation and well in advance of debate in the council

(35) Local authorities should give high priority in Standing Orders to Question Times and to time for debates on Motions so that members may obtain information publicity, challenge the actions of the management board and engage in debates on topics of their own choice

(36) Local authorities should ensure that arrangements at the council offices are such that the public can gain access to responsible officers to raise matter which affect them personally, these arrangements should include the availability of officers with the capacity to deal people's problems and the competence to give answers, there should also be provided facilities which enable people to be properly received and directed Arrangements should also ensure whereby the public can be put in touch with members if they cannot obtain satisfaction from the authority's officers

(37) The cooperation of press, radio and television is indispensable to the success of local democracy Local authorities should regard the press as partners in the process of informing and educating the public. This calls for deliberate and continuous efforts to enable editors and skilled reporters to understand the mind of the council, even on matters which can be explained only on a confidential basis

(38) Efforts at the local level to establish closer contacts between the public and the council need to be supplemented at the national level. Just as there is a need for the individual local authority to be intelligible to its electorate, so local government as a whole should be intelligible to the public at large. At the national level there should be a Local Government Information Office which should be part of the proposed Local Government Central Office to contribute to the presentation of the unity of local government.

(39) Local authorities should regard it as their responsibility to ensure that their members are well informed into social problems as well as having an understanding of government and management. Training of members will not give them professional expertise; if well done it can help to give an understanding and appreciation of scientific and technical development which form the basis of policy decisions. The local authority Associations, therefore, should seek the establishment at Universities and colleges of training courses for Council Members.

(40) The Council Member concerned with a smaller community, he is more closely involved with a smaller area, he is more likely to be personally interested in the affairs of the area he represents. The more 'local' the local authority, the more personally interested the council-members may be. Since overriding concern must be for honesty of local administration and also for its reputation, it is necessary that legal sanctions should be retained which require a member to declare a pecuniary interest, which prevent him from speaking or voting on a matter in which he has an interest unless dispensation is granted by the appropriate Minister. However, the law relating to pecuniary interest should be consolidated and simplified.

**Conclusion**

In the opinion of the committee these proposals would encourage more men and women to offer themselves for service in local government as members or officers. But organizational changes will not of themselves achieve the purpose fully. A general change of attitude is needed most of all. The characteristic result of local government action is seen in such material things as schools, homes, traffic signs and refuse-bins. But the purpose of such action is invariably human happiness And the action itself is taken by people, for people. Only as local government comes increasingly to be seen in this light will it attract people of the calibre necessary to secure its maximum effectiveness.

## APPENDIX G

## COMMITTEE ON THE STAFFING OF LOCAL GOVERNMENT, U.K. 1966

In the United Kingdom the Ministry of Housing and Local Government appointed in 1964 the Committee on the Staffing of Local Government, at the request of the four local authority associations with the following terms of reference: "To consider the existing methods of recruiting local government Officers and of using them, and what changes might help local authorities to get the best possible service and help their officers to give it."

The Committee which submitted its report in 1966, made important observations and recommendations which are reproduced below :

**Recruitment**

(1) The local authorities should recognise the growing need to recruit graduates as trainees for professional and administrative posts and the danger of not doing this; and should, therefore, place increasing emphasis on recruitment from universities and colleges.

(2) The local authorities should continue to recruit school leavers who do not go on to higher education and as an incentive to recruitment, offer good training schemes and opportunities to obtain administrative and professional qualifications.

(3) Rewards and other attractions comparable with those offered by competing employers should be offered in order to attract and retain staff of the quality that is needed.

(4) It should be ensured that officers responsible for recruitment maintain contacts with career masters in local schools and with youth employment officers; these contacts should be supplemented by publicity for local authority careers organized on a national scale. Careful attention should be paid to the timings of their approaches to school leavers and to the quality of their advertisements and publicity material.

(5) In providing local health services, it should be recognized that local authorities are responsible for one of the three main branches of the National Health Service; in recruiting medical prac titioners they should note the changes which affect the recruitment and use of medical practitioners in the other two.

(6) Individual local authorities should consider making joint arrangements between themselves for the recruitment, appointment and training of staff

**Career Prospects**

(7) The School leaver trainee, when he has qualified, should have the same prospects as those of his graduate counterpart.

(8) The local authorities should provide for the career of the lay administrative officer, subject to the size of an authority and the scope of its responsibilities, to take him to the second or third tier position in a department. He should be equal in salary and status with his professional colleagues at those levels.

(9) All senior posts in education department, except that of Chief Education Officer and those concerned with advisory work with the schools, should be open to the lay administrative officer whose experience and qualifications are deemed to be appropriate.

(10) It should be recognized that the Clerkship of an authority, being mainly an administrative post, should be open to all professions including that of the lay administrative officer.

**Selection Procedure**

(11) The advice of outside assessors in addition to that of the Clerk or establishment officer should be sought when appointing principal officers and their deputies.

(12) It should be ensured that interviewing panels of elected members for the selection and appointment of principal officers and their deputies are small.

(13) Principal Officers should be given responsibility for selecting and appointing staff on behalf of the authority up to third tier level in the departments concerned making full use of specialist advice available in the Clerk's Department.

**Training**

(14) The local authorities should accept responsibility for arranging training facilities and for enabling their officers to make full use of them.

(15) Adequate facilities should be provided for continued general education as well as professional training for those trainees who are recruited direct from school Selected well qualified candidates should also be sponsored for full time university degree courses

(16) Allowance should be made for training needs when fixing departmental establishment.

(17) A Local Government Training Board should be established.

(18) Each authority should accept responsibility for arranging induction training although it may sometimes be appropriate to make use of facilities provided by other authorities or by provincial councils It should also be available for *new entrants* to their service

(19) *Induction training should include* a *study of the* work of the individual authority in order to enable new entrants to make an effective contribution at the earliest opportunity, it should also constitute a necessary preliminary to officers' vocational training

(20) All authorities should recognize that the universities will in future provide increasing numbers of professional trainees and their training programmes should take this into account

(21) Training for professional qualifications at all levels should be by means of release for full time, sandwhich, block release or day release courses When in exceptional circumstances study has to be undertaken by a correspondence course, officers should be granted time for study during normal working hours

(22) Professional officers should be given opportunities to gain the widest possible experience in their own and, where appropriate, in related departments

(23) The local authorities should accept responsibility for arranging attendance at suitable course of professional training and should make greater use of facilities provided by local education authority colleges as well as those provided by universities, provincial councils and other agencies

(24) Greater number of suitable health visitors should be sponsored to take courses to qualify them as field work instructors and should sponsor the training of suitably qualified health visitors to take posts as tutors

(25) Training for the lay administrative officer should be arranged to take account of both the work to be performed and

the diversity of background of the trainees; this training should be divided into three parts; (a) practical experience; (b) general studies; and (c) specialist studies in administrative subjects.

(26) The clerical staff with the necessary ability should be encouraged to gain qualifications of the standard necessary to apply for entry to the training grade.

(27) Senior officers should receive formal training in management and the provisions of this training should be rapidly and widely developed.

(28) Management training should suit the needs of the individual officers through courses of an adequate standard provided at universities, business schools and colleges.

(29) A medical practitioner who is transferred from purely clinical duties to these involving responsibilities for management should receive training at an early stage that will fit him for his new responsibilities.

(30) Training should be designed to keep serving officers abreast of developments in their specialisms as part of authorities' responsibility for the continuous assessment of training needs and for providing facilities to meet them. Technical staff displaced by change should be retained.

(31) The local authority Association should give particular consideration to the setting up of a Central Staffing Organization to keep local government staff training needs under review and to perform a number of functions in relation to recruitment and training. They should determine how adequate facilities for training local gevernment officers in establishment work can best be provided. They should establish a central body to co-ordinate the resources of the various agencies concerned with the provision of or advice on the management services.

**Use of staff**

(32) The respective establishments should be examined to see whether and to what extent work can be done without loss of efficiency by staff who do not have full professional qualifications.

(33) The local authorities should take part in an enquiry to determine whether any of the work of weights and measures administration can be satisfactorily performed by officers with less than the full professional qualification under the supervision of professionally qualified inspectors.

(34) The staff should be employed without full professional qualifications in public health inspection whenever the work can be done without loss of efficiency.

(35) Working conditions should be adequate as also that ancillary assistance and the equipment that officers require to do their jobs efficiently should be provided.

(36) The local authorities should make greater use of the management services not only to assist decision making but also to enable scarce resources to be used to the full. Authorities with limited resources and responsibilities should enter into joint arrangements for the provision of the full range of management services.

(37) There should be wide appreciation of the value and use of management services and particularly of the computer amongst their staff exercising managerial responsibilities and that officers in the trainee grade develop this appreciation in the course of their training.

**Internal Organisation**

(38) It should be ensured th[illegible] head of the council's paid service and t[illegible] heads of the departments so far [illegible] cient management of the council's functions.

(39) The Clerkships should be open to people of all professions and occupations.

(40) The local authorities should consider reducing the number of separate departments by placing under one officer a group of departments which can be shown to have related functions. Appointment of officers to such positions should have particular regard to their managerial abilities.

(41) There should be allocation of responsibility for establishment matters to the clerk or alternatively to an officer to whom the Clerk has delegated this function.

(42) A central establishment organisation in a local authority should provide a number of executive services for individual departments and for the authority as a whole.

**Mobility of Staff**

(43) Mobility of officers between local authorities and other branches of the public service should be encouraged. Periods of

the diversity of background of the trainees; this training should be divided into three parts; (a) practical experience; (b) general studies; and (c) specialist studies in administrative subjects.

(26) The clerical staff with the necessary ability should be encouraged to gain qualifications of the standard necessary to apply for entry to the training grade.

(27) Senior officers should receive formal training in management and the provisions of this training should be rapidly and widely developed.

(28) Management training should suit the needs of the individual officers through courses of an adequate standard provided at universities, business schools and colleges.

(29) A medical practitioner who is transferred from purely clinical duties to these involving responsibilities for management should receive training at an early stage that will fit him for his new responsibilities.

(30) Training should be designed to keep serving officers abreast of developments in their specialisms as part of authorities' responsibility for the continuous assessment of training needs and for providing facilities to meet them. Technical staff displaced by change should be retained.

(31) The local authority Association should give particular consideration to the setting up of a Central Staffing Organization to keep local government staff training needs under review and to perform a number of functions in relation to recruitment and training. They should determine how adequate facilities for training local gevernment officers in establishment work can best be provided. They should establish a central body to co-ordinate the resources of the various agencies concerned with the provision of or advice on the management services.

**Use of staff**

(32) The respective establishments should be examined to see whether and to what extent work can be done without loss of efficiency by staff who do not have full professional qualifications.

(33) The local authorities should take part in an enquiry to determine whether any of the work of weights and measures administration can be satisfactorily performed by officers with less than the full professional qualification under the supervision of professionally qualified inspectors.

(34) The staff should be employed without full professional qualifications in public health inspection whenever the work can be done without loss of efficiency

(35) Working conditions should be adequate as also that ancillary assistance and the equipment that officers require to do their jobs efficiently should be provided

(36) The local authorities should make greater use of the management services not only to assist decision making but also to enable scarce resources to be used to the full Authorities with limited resources and responsibilities should enter into joint arrangements for the provision of the full range of management services.

(37) There should be wide appreciation of the value and use of management services and particularly of the computer amongst their staff exercising managerial responsibilities and that officers in the trainee grade develop this appreciation in the course of their training.

**Internal Organisation**

(38) It should be ensured that the Clerk is recognised as head of the council's paid service and that he has authority over all other heads of the departments so far as this is necessary for the efficient management of the council s functions

(39) The Clerkships should be open to people of all professions and occupations.

(40) The local authorities should consider reducing the number of separate departments by placing under one officer a group of departments which can be shown to have related functions Appointment of officers to such positions should have particular regard to their managerial abilities

(41) There should be allocation of responsibility for establishment matters to the clerk or alternatively to an officer to whom the Clerk has delegated this function.

(42) A central establishment organisation in a local authority should provide a number of executive services for individual departments and for the authority as a whole

**Mobility of Staff**

(43) Mobility of officers between local authorities and other branches of the public service should be encouraged Periods of

secondment or attachment to government departments and statutory corporations should be arranged for local government officers and to local authorities for civil servants and officers of statutory corporation.

(44) Qualified and experienced officers from the private sector should be recruited.

(45) Facilities should be developed to enable some local government officers to gain experience in industry or commerce during their period of training.

(46) There should be greater emphasis on administration and social matters in training of those solicitors who propose to follow a career in local government or other branches of the public service. The efforts now being made to extend training facilities for architects and planners should be intensified. Pupillage, in all professions where it is practised should be re-examined.

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## APPENDIX H

## ROYAL COMMISSION ON LOCAL GOVERNMENT IN ENGLAND & SCOTLAND

In 1966, two Royal Commissions were set up, one for England and another for Scotland with identical terms of reference The English Commission was headed by Sir John Maud (later Lord Redcliffe Maud) and the Scottish Commission by Sir Andrew Wheatley (later Lord Wheatley) The terms of reforence were to consider the structure of local government in relation to its existing functions and to make recommendation for authorities, boundaries, functions and their division, having regard to the size and character of areas in which these can be most effectively exercised and the need to sustain a viable system of local democracy Local government in the Greater London area was excluded from the purview of the English Commission as it had already been examined by the Herbert Commission (Royal Commission on Local Government in Greater London) in 1960 There was no Royal Commission on Local Government in Wales

So far as the English Commission is concerned, except one member, Mr Derek Senior, all the other members were unanimous about the recommendations Mr Senior did not agree with many of the proposals of the Commission and submitted his alternative proposals in a separate memorandum of dissent.

In reviewing the present pattern and working of local government, the Commission felt that there were four basic defects in the existing structure In the first place local government areas do not fit the patterns of life and work in modern England. Secondly, proper planning of development and transportation has been rendered impossible by the fragmentation of England into 79 county boroughs and 45 counties These authorities have been exercising independent jurisdictions and dividing town from country Often, there is an atmosphere of hostility between the county boroughs and the counties Thirdly, the fragmentation of services among several local authorities has made it difficult to

meet the needs of individuals and families in a comprehensive manner. Lastly, many of the local authorities are too small in size and revenue, and too short of highly qualified manpower and technical equipment to discharge their responsibilities properly.

In framing the reform proposals, the Commission followed a few general principles: (i) Local authority areas must be defined in a manner which would enable citizens and their representatives to have a sense of common purpose; (ii) the areas must be based upon the interdependence of town and country; (iii) all services concerned with the physical environment must be in the hands of one authority; (iv) all personal services, being closely linked in operation and effect, must be in the hands of one authority; (v) if possible, both the 'environmental' and the 'personal' groups of services should be in the hands of the same authority; (vi) in order that the authorities can command the resources and skilled manpower necessary for the efficient provision of services, they must be sufficiently large in size. A minimum population of around 250,000 was considered appropriate. Very large authorities would have difficulty in organising their business and elected repesentatives would in such circumstances, not be able to keep in touch with the people; (vii) Where the area required for planning and the other environmental services contains too large a population for the personal services, a single authority for all the services would not be appropriate; and in these parts of the country, responsibilities must be clearly divided between two levels, and related services kept together; (viii) The new local government pattern should, as far as practicable, stem from the existing one, and in making changes, the common interests, traditions and loyalties inherent in the present pattern and the strength of existing services as going concerns, should be respected.

The major recommendations of the Commission are as follows:

England (outside London) should be divided into 61 new local government areas, each covering town and country. In 58 of them, a single authority should be responsible for all services. In the special circumstances of 3 metropolitan areas around Birmingham, Liverpool and Manchester, responsibility for services should be divided in each case between a metropolitan authority whose key functions would be planning, transportation and major development, and a number of metropolitan district authorities whose key functions would be education, the personal social services, health and housing.

These 61 new local government areas should be grouped together with Greater London, in eight provinces, each with its own provincial council. Provincial councils would be elected by the authorities for the unitary and metropolitan areas (exclu-

ding, in the South East, the Greater London authorities), but would also include co-opted members The key function of the councils would be to settle the provincial strategy and planning framework within which the main authorities will operate. They would replace the present regional economic planning councils and collaborate with the central government in the economic and social development of each province. They will, therefore, play an essential part in the future adaptation of local government to the changes in ways of life and movement that time and technical progress will bring.

Within the 58 unitary areas and, wherever they are wanted within the three metropolitan areas local councils should be elected to represent and communicate the wishes of cities, towns and villages in all matters of special concern to the inhabitants The only duty of the local council would be to represent local opinion, but it would have the right to be consulted on matters of special interest to its inhabitants and it would have the power to do for the local community a number of things best done locally, including the opportunity to play a part in some of the main local government services on a scale appropriate to its resources and subject to the agreement of the main authority

Regarding central-local relations, the Commission recommended that the central government's control of the new main authorities should be limited to key points All controls that have no demonstrable value should be repealed There should be a single national association of the new main authorities which would speak as the collective voice of local government in dealings with the central government.

With reference to the internal management of the main authorities, the Commission suggested that the present statutory provisions for the compulsory appointment of committees should be repealed, and there should be, in every main authority, a central committee to advise the council on its strategy and priorities, coordinate the policies and work of the service committees, and ensure that the management methods are adopted. Each authority should have a chief executive officer chosen regardless of professional background who will lead the team of chief officers The main recommendation regarding local finance is that local government should have a wider tax base, although the rate is likely to remain the chief local tax

The Report of the Royal Commission on Local Government in Scotland starts with sentence: "Something is seriously wrong with local government in Scotland" The report is equally emphatic in identifying as the root cause of the malady the present

structure of local government which has remained basically the same for the last four decades, while everything else around it has changed. The Commission clarified the basic objectives of reform in terms of power, effectiveness, democracy and local involvement. The method adopted by the Commission to arrive at a solution to the structural problem was two fold: firstly, to examine the main local functions and determine on what scale these could be administered; secondly, to determine the areas for administering the functions already identified and analysed. The initial result of matching functions and areas together with elected local authorities was a variety of possible structures. These were finally tested against the four basic objectives of reform to determine the most practical solution to the problem

The net result of the exercise outlined above is the Commission's recommendation to create seven regional authorities and 37 district authorities for the whole of Scotland, each tier to perform its own set of functions and depend on independent sources of revenue. This would mean abolishing four city counties, 21 large burghs, and 176 small burghs, 33 counties and 196 districts. The new district authorities would be constituted at the 'shire' level, which corresponds with the four existing cities and thirty-three counties. A region is defined as having a high degree of common interest and self-containment of services Although the regional and district authorities are to be coordinate bodies, the Commission envisages the necessity for a good deal of cooperation among them. The Commission considered the suggestions for single level all-purpose authorities as well as a single authority for the whole of Scotland; but rejected the first, as many of the functions would need large-scale administration at a supra-community level; and the second on constitutional grounds distinguishing the functions of the Central and local government.

The regional authorities are to be constituted for the Highlands and Islands, the North East, the East. the South East, the Cenitral area, the West, and the South West. The functions assigned to the regional authorities are: major planning and associate services, personal social services, housing, protective services, consumer protection, weights and measures, refuse disposal, coast protection, parks and recreation, museums and art galleries, registration of births, deaths and marriages, and registration of electors.

The district authorities would be concerned with functions such as local planning and associate services, building control, housing improvement and related functions, local civil defence, parks and recreation, community centres, museums and art galleries, libraries, environmental health, regulation and licensing, licensing courts, and administration of justice.

One interesting suggestion is the formation of community councils by the district authorities without any statutory functions of right to levy tax Their role would be mainly representative and these might act as agents for the district and regional authority in administering certain local services.

The Commission took note of the recommendations of the various English and Scottish commmittees on different aspects of internal management of local authorities More particularly, the recommendations of the English Maud Committee on the Management of Local Government were considered Four types of reformed management organisations were discussed (i) the policy committee (ii) the Maud management board (Maud Committee-majority) (iii) the Wheatley management board (Maud Committee note of reservation by Sir Andrew Wheatly), and (iv) the cabinet system Recognising the advantages and disadvantages of the four types of reformed management system, the Commission left it free to each local authority to adopt its own system, while expressing a preference for the policy committee. The Commission was emphatic about the need to change the present committee system of management in favour of a unified policy organisation Under the changed system, the appointment of a chief executive officer would be essential with authority over other heads of departments The post should be open to anyone and no specific professional qualifications would be required as a condition of appointment

Where local services or projects lend themselves to an administration different from the usual committee department pattern, the local authorities should be free to set up suitabl agencies, each tailor made to suit the requirement The Commission did not consider it necessary to appoint an *Ombudsman* for each local authority If a decision is taken to appoint one such functionary for local government, he should be concerned with the whole of Scotland

The existing central local relations are to be overhauled to make local government more responsible in the running of local services and assessment of local priorities on the one hand, and raising a higher proportion of local revenue on the other All arrangements for inspection, technical scrutiny and advice by the central government departments to the local authorities should be reviewed in the light of the new onception of local autonomy suggested by the Commission.

The Commission suggested the creation of a review body to examine the interim scheme of reorganisation and draw up arrangements for the first elections to the newly created local authorities The complicated problems of local government finance may be examined in greater depth after the finalisation of the recognised system of local government in Scotland

# APPENDIX I

## REPORT OF THE COMMITTEE ON MODERNISING LOCAL GOVERNMENT FOR ECONOMIC DEVELOPMENT, 1966, U.S.A.

**Inadeqaacies in Local Units :** The weaknesses arousing concern are deep-rooted and extensive. While variety and diversity among local institutions make sweeping generalisations suspect, because there are almost always many exceptions to be found, we believe that available evidence fully sustains the following broad statements.

1. Very few local units are large enough in population area, or taxable resources to apply modern methods in solving current and future problems. Even the largest cities find major problems insoluable because of limits on their geographic areas, their taxable resources or their legal powers.

2. **Overlapping layers of local government :** Municipalities and townships within counties, and independent school districts and special districts within them are a source of weakness.

3. Popular control over local governments is ineffective or sporadic and public interest in local politics is not high. Voters must collectively select over 500,000 local elective officials. Less than 30% adults vote in separately held city elections. County, school, township and special district elections common'y attract even smaller fractions of voters. Confusion from the many layered system, profession of election officers without policy significance and increasing mobility of the population all contribute to disinterest.

4. Policy making mechanism in many units is notably weak. The national government has strong executive leadership supported by competent staff in formulating plans that are then subject to review and modification by a representative legislative body. Comparable arrangements are found in most cities but seldom elsewhere among local governments. Multiple elective executives are

abound These factors combined with lack of broad legal authority, financial resources, and geographic jurisdiction inhibit the kind of long range planning and decision-making essential to effective local government

5 Antiquated administrative organisations hamper most local governments Lack of a single executive authority, either elective or appointive, is a common fault Functional fragmentation obscures lines of authority Organisational concepts considered axiomatic in American business firms are unrecognised or disregarded in most local governments The quality of administration suffers accordingly.

6 Positions requiring knowledge of modern technology are frequently occupied by unqualified personnel Except in large cities, most departmental heads are amateurs The spoils system still prevailing in parts of the nation has deep roots in many local governments Pay scales are usually too low to attract competent professional applicants Further, specialised skills in public service are too often held in low esteem by influential citizens

We are convinced that all American Communities face urgent problems requiring competent governmental action. We expect these problems to grow, both in variety and intensity, in coming decades The issues are not narrowly confined to matters concerning education, transportation, housing, health and water supply etc serious as they are they extend to all the conditions of modern life, and to the social and material satisfactions that act as incentives for a constructive commitment of human resources

We are also convinced that many local governments are unequal to the challenge They are ineffestive in coping with present problems and inadequate in facing the escalation that surely lies ahead But highly complex problems seldom have simple solutions, nor are acceptable solutions, once found always easy to apply There is obvious danger in over simplificalifion, but we visualise three alternative courses of action open to the nation (i) Recent trends toward "functional government" might go on indefinitely as in highway administration This would imply an extension of federal standard setting, decision making and administrative controls with heavier transfusion of federal funds directly or through state channels In practice, federal efforts to use existing local governments as administrative agencies in executing national policy, have already disclosed such serious faults that success cannot be expected within the present frame-work Sole reliance on this approach probab'y lead to (a) an increase in direct federal management of local affairs, (b) assumption by state governments of a larger share in administrative operations, (c)continued neglect of vital local issues, and (d) excessive costs for the

services they render. (ii) The states might expand their administrative mechanisms to supersede local authorities, in function after function. This might be done through district centres, in order to relate state action more directly to local situations. (iii) Existing patterns of local government can be drastically revised to encourage local policy decision-making and to permit effective management of local affairs. This will not be easy, for major structural adjustments are required if we are to presume the fundamental values in local self government. But competent local units, responsive to the requirements of an enlightened Public can serve two primary purposes (i) They can identify local problems and opportunities, and then plan and execute programmes with optimum effect. (ii) They are also needed to serve in an effective partnership with state agencies, and with the federal government in its expanding fields of activity.

Granting the merits of professionalism in functional fields, conceding the importance of federal encouragement and support and recognizing the need for action by the states consistent with their responsibilities, we still stress the fundamental values of local self government. These values extend far beyond the efficiencies to be gained through consolidations and re-organisations. Citizen participation in community affairs is the central pillar sustaining a democratic society; it is an invaluable training school for service at other levels. Revitalised local governments will command greater public interest and popular support.

We recognize the obstacles, including vested political interests and civic inertia, found in opposition to any modernisation of local institutions of government. We are convinced that suitable local units can be designed to plan governmental operations fostering rapid community development, to administer programmes effectively, and to contribute materially in their financing. The citizens can obtain the services they need at reasonable cost only through strong local governments, since neither federal nor state governments can be expected to deal completely with local institutions.

Efforts to "tidy up" a chaotic situation will not cure the chief illness. Over emphasis on waste, inefficiency, and incompetence may obscure the main points: most American communities lack any instrumentality of government with legal powers, geographic jurisdiction, and independent revenue resources necessary to conduct local self government in any valid sense. Our fundamental concern is that every community in the nation be capable of effective management of its local affairs. This is the sine qua non of a democratic society.

Before a local government can be expected to serve the purposes intended, it must meet four minimum qualifications:

(1) Political unity Each population governed must have enough common interests, problems, and communications to qualify as a political entity able to produce political leadership responsive to active citizen concern

(2) Size Each local unit must be sufficiently large in population, geographic jurisdiction and financial resources to make long range plans, to attract professional staff and to manage modern services

(3) Powers Each government must have legal authority adequate to cope with the problems for which it is responsible and to enforce its decisions

(4) Rational structure Each government must have a representative governing body concerned with policy decisions, and a single chief executive to secure unity in administrative operations

**Recommendations**

This statement on national policy calls for major changes consistent with these criteria massive community consolidations to conform with logical geographic and economic boundaries, structural modernisation and professional staffing for all local units, and severe reduction in the overlapping layers of local government Changes of this character will require sweeping action by the states through comprehensive constitutional revisions

(1) The number of local governments in the United States now about 80,000, should be reduced by at least 80%

(2) The number of overlapping layers of local government found in most states should be severely curtailed

(3) Popular election should be confined to members of the policy making body, and to the Chief Executive in those governments where the "strong Mayor" form is preferred to the Council Manager plan

(4) Each local unit should have a single Chief Executive, either elected by the people or appointed by the local legislative body, with all administrative agencies and personnel full responsible to him, election of departmental heads should be halted

(5) Personnel practices based on merit and professional competence should replace the personal or partisan "spoils" systems found in most communities and other local units

Specialised skills are increasingly essential to solution of most governmental problems, whether in public health and sanitation, police and fire protection, education, slum clearance, public finance or in management as such. Skills require training and experience, as well as innate ability. Persons with high skills must be recruited, developed and utilised effectively. This is unlikely to occur in a climate of petty partisanship, low salaries and confused authority.

(6) Community modernisation should be pressed with special vigor, since communities everywhere except in New England have high but underdeveloped potential for solving the problems of rural urban and most metropolitan communities.

(7) Once modernised, local governments should be entrusted with broad legal powers permitting them to plan, finance and execute programmes suited to the special needs, interests, and desires of their citizens.

(8) The 50 state constitutions should be changed either by legislative amendment or through constitutional conventions concentrating on local government modernisation to provide for boundary revisions of legal authority, and elimination of needless overlapping layers.

(9) The terms and conditions of federal and state grants-in-aid should be revised to encourage the changes recommended in this statement:-

Presently, some aid programmes for our small units over larger Prevailing patterns discourage co-ordination between governments and between departments of the same government performing different but related functions. Heavy financial aids, to archaic structures tend to divert attention from the need to adapt to new conditions. They perpetuate obsolescence.

**Functional coordination:** Any careful review of local government functions must lead to the conclusion that they are closely inter-related, and that governmental units performing limited functions are severely handicapped. Further more, every local community, whether urban or rural required a broadly based, strong and effective government capable of managing and co-ordinating all local functions now operate, plus others that are needed but have too long been neglected. This Committee places high priority on the development of an effective system of general purpose government at the local level in every state managerially competent and politically responsive to the citizenry.

**Rural Areas** The committee makes six specific recommendations for revitalisation of local governments in Rural America

(1) This committee recommends that the 2,700 communities outside metropolitan areas be consolidated into no more than 500 strong and effective units using such criteria as minimum population, accessibility to the community seat, trading and communications patterens, revenue base and geography

(2) The number of towns in Rural New England should be sharply reduced through drastic consolidations, and remaining New England communities should be abolished

(3) Townships not suited to full municipal incorporation should be abolished, and their functions should be assumed by newly consolidated community governments.

(4) Most, if not all, of the 11,000 non-metropolitan villages with fewer than 2,500 residents should disincorpoarte to permit strong community governments to administer their services on a special assessment basis or they should contract with communities for such services

(5) Self-governing special districts should be abolished in rural areas, their functions to be administered by consolidated communities and financed by special revenues from areas benefited.

(6) The consolidation of school districts should be continued until every unified school system has at least 1,500 students Preferably boundaries would be co-terminus with those of restructured counties, which might then be empowered to manage the local school systems on the basis of local option.

***Metropolitan Areas***

The most pressing problem of local government in Metropolitan areas may be stated quite simply The bewildering multiplicity of small, piecemeal, duplicative, overlapping local jurisdictions cannot cope with the staggering difficulties encountered in managing modern services and create difficulty in provision of costly central city services benefiting the whole urbanised area If local governments are to function effectively in Metropolitan areas, they must have sufficient size and authority to plan, administer, and provide significant financial support for solutions to area-wide problems To this end, the committee makes five major proposals

(1) In situations where a single community contains an entire Metropolitan area this committee recommends that a reconstituted county government be used as the basic framework for handling area wide problems.

(2) When it is not feasible for an entire Metropolitan area to be included within a single county, multi-county federations should be created to obtain co-ordinated jurisdiction in planning and enforcing solutions for area wide problems.

(3) In New England, towns should be consolidated or closely federated to create Metropolitan governments.

(4) County governments once they are reconstituted should be given the power to co-operate with their counterparts across state lines on all matters of mutual concern. Congress should enact general permissive legislation that would enable states to create joint authorities for handling inter-state Metropolitan problems.

(5) Within large Metropolitan areas, neighbourhood districts should be created, each with a small council to assist city and county governments in adopting services to neighbourhood needs.

Once local governments have been fully re-designed they should be granted broad home rule powers by the States.

### (3) Organising, Staffing, Financing Local Governments

Proper boundaries and suitable legal powers will not in themselves produce effective local self government. For competent decision making and administrative management each local unit must be organised internally along modern lines. There must be capability at the top level to insure comprehensive planning for co-ordinated area wide development. Technically skilled professionals are necessary to execute programmes with maximum effect. And a sense of local respons.bility requires that a significant share of the costs be borne locally.

#### Top-level organisation

One uniform internal structure will not, of course, work equally well in all types of local units whether in urban or rural areas but certain basic generalizations have universal applicability.

**The legislative body :** Policy-making authority in all local units should be entrusted to small popularly elected boards

enabling citizens to place direct responsibility Election of board members may be by districts at large, or through *combination of* these methods While board members should approve all major plans, they should not be directly involved in the administration of programmes.

To perform their tasks effectively, members of most county boards and city Councils will have to devote more time to their duties than simply attending bi-monthly or weekly meetings The nation owes a debt of gratitude to the many dedicated citizens who have devoted time and energy to local affairs without financial recompense, but such leaders should not be expected to serve large local units with nominal or no compensation Adequate annual salaries should be paid

**The Executive** Lack of a Chief Executive Officer is one of the most glaring deficiencies in the structure of most local govern ments Inexperienced part time officials serving on boards commissions and committees, managing multi-million dollars activities cannot reasonably be expected to provide effective administration Each reconstituted local government needs a single full time executive head to co ordinate all administrative activities

There are three well established local forms of executive authority worthy of consideration by any local charter commission These are (a) The professional Manager appointed by an elective council, (b) The *elective* Chief Executive with strong lines of administrative authority, and (c) the Chief Administrator appoin ted by an elected top executive

Appointment of a professionally Chief Executive ( as in Council, manager form of government ) broadens the recruiting base and frees the Executive from time and cost consuming political campaigning and it also removes most administrative decisions from the political arena

Each of these alternatives has its advantages and disadvantages

**Department Heads :** Appointment of all administrative officials by the Chief Executive would result in increased professionalism cenrtalised authority and responsibility and a shortened ballot

**Staffing** Local government have a continuing need to attract, retain and develop competent personnel Nation wide there is a serious shortage sometimes described as "desperate" of

well qualified personnel available for service at local levels. The Chief Executive should assume leadership in establishing a personnel system of high quality. To do this he must have authority to hire, promote and discipline under appropriate policies and procedures.

**Training and development :** All new employees should become familiar with the structure, operations and personalities of the local units. Beyond this, young employees contemplating careers as professional administrators should receive additional training in basic administrative techniques such as those used in budget preparation and administrative organisational techniques, and manpower studies, and procedural analysis.

Beyond training for new employees, there is pressing need for continuous development of persons in responsible positions. Programme of continuing education and rich career development, with universities and professional associations is essential to effective administration in all local governments. Universities should accept responsibility for provision of such programmes.

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## APPENDIX I

## FUNCTIONS OF MINISTRY OR DEPARTMENT OF LOCAL GOVERNMENT

*(As recommended by the U N Seminar on Central Services to Local Authorities – New Delhi, 1963)*

**(a) Policy Formulation**

(i) Acting as the principal adviser to the Government in the formulation of policies in respect of their organisation and functions as well as other matters concerning them

(ii) Conducting broad investigations and enquiries through committees and Commissions into the affairs and working of local authorities and otherwise assisting in the framing of general policies

(iii) Promoting schemes to enable local authorities to play an effective role in economic and social development.

**(b) Legislation, Administration and Supervision**

(i) Defining the organisation, powers, duties and other basic features of local authorities and preparing necessary legislation for them,

(ii) Prescribing standards for the guidance of local authorities in matters of administration, development and training

(iii) Answering queries and requests of local authorities for specific information as also disseminating advise from time to time by way of circulars or less formal publications of pamphlets or in personal discussions between State and local officials or at various conferences

(iv) Inspecting and supervising the working of the local authority

(v) Arbitrating the dispute between local authorities and providing legal advice to them.

(vi) Assisting in the organisation of associations of local authorities and of institutions for research and training.

(vii) Taking all possible measures to improve the standards of local administration and providing all possible assistance thereto.

**(C) Training and Personnel Management**

(i) Fostering the development of a career service for the staff of the local authorities.

(ii) Framing rules for regulating the conditions of service in local authorities.

(iii) Encouraging and assisting the local authorities to develop on-the-job and other forms of in-service training through the training of instructors, etc.

(iv) Providing training for key personnel employed by the local authorities through refresher courses and seminars; training for the more experienced officers in foreign countries, organising staff development programme and arranging orientation training for elected members.

**(d) Fiscal Policy and Financial Assistance**

(i) Advising the government on fiscal policies affecting the local authorities.

(ii) Suggesting methods for improving the sources of local revenue assisting and advising in tax administration including the formulation of rules and regulations in regard to the assessment and collection of taxes.

(iii) Fostering the establishment and maintenance of standards in budgeting, accounting and other aspects of financial administration through rules, financial supervision and audit.

(iv) Ensuring adequate finances for local bodies through grants or subsidies and loans, etc.

**(e) Programme Planning, Coordination and Supporting Services**

(i) Coordination plans for local works and other development activities of local authorities in the State and national plans.

(ii) Evaluating the effectiveness of programmes and advising local authorities on methods of improving them.

(iii) Acting as a clearing house of information for local authorities and on the programmes and plans of central ministries, that may help or otherwise affect them.

(iv) Following up the request of local authorities to technical ministries and assisting in resloving differences that may arise between them.

(v) Assisting in town and country planning including village planning and surveys if these are not taken up by other ministries and departments.

(vi) Assisting as necessary in the design and execution of major local projects, e. g. water supply, sewerage, electric installation, etc.

(vii) Assisting in procurement of materials and equipment.

(viii) Research, information and statistics, including publication on matters relating to local government.

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## APPENDIX K

## REPORT OF THE UNITED NATIONS ON LOCAL GOVERNMENT PERSONNEL SYSTEMS

The report contained in five chapters plus five annexes, the report integrates various materials supplied by a U. N. Consultant on the study, from information received from twenty-seven countries in response to questionnares and from materials of a United Nations Workshop on Personnel Systems for Local Authorities at Geneva in November, 1965. Developments on the subject up to July, 1966 are included. The monograph provides descriptive treatment and analysis of the various types of local government personnel systems and is designed to assist governments in assessing and improving their present personnel practices.

The first chapter presents the basic framework by indicating the implications of personnel administration on the development role of local governments. With this as a rationale the report cites the need of professionalizing the public service at the local level if local authorities are to fulfill their expected tasks of development. The idealistic features of a sound local government personnel system are stressed prominently, projecting the point that a sound local personnel system is vital to the development functions of local authorities.

Some of these features are summarised as follows:

(a) To interest qualified persons, positions in local government must be comparable to those in the national government or private sector in terms of pay, working conditions, status and prestige, prospects, and security. The report recommends that the value of each factor must be judged in the local context.

(b) Recruitment of personnel for local posts should be country-wide in scope. Requirement of local residence should not be an impediment for positions requiring technical or professional preparations.

(c) Selection should be through the merit system; competitive or qualifying examinations given and a pool of techni-

cians determined avoiding hasty recruitment when vacancies occur

(d) There should be a career service administered through a merit system that assures personnel development and security of tenure fostering efficiency in the service

(e) There should be an open career system allowing freedom of personnel movement either horizontally or vertically in given administrative situations

(f) Training should be used as a medium to develop personnel capabilities for effective service

This study classifies three types of local government personnel systems to facilitate comparative analysis The first is a "separate personnel system for each local authority" This type is one in which local authority has the power to appoint and dismiss its own personnel, and the personnel is not transferable to any other jurisdiction by a central body This classification applies whether or not each local authority has an organised career service or even a simple merit system The second is a "unified local government personnel system," in which all or certain categories of personnel of local authorities form a single career service for the entire country which is distinct from the national civil service In this type a national agency administers the appointments, promotions, transfers, and dismissal of personnel. The last type is an "Integrated national and local personnel system" In this type of classification the personnel of the national or state government and that of local governments form parts of the same service, in which transfers are possible not only between local governments, but also between the national and local levels Chapter two takes note of the advantages and disadvantages of a separate personnel system for each local authority and relates this type of classification to practice and experiences of specific countries where this particular personnel system is adopted The countries selected for study which have a separate personnel system are in turn arbitrarily grouped into three categories These are (a) those in which the central government provides the main impetus for sound government practices Examples are the countries of Japan, the Netherlands, Yugoslavia, and France, (b) those in which non governmental sources, such as the associations of local authorities Employee Unions and professional associations, provide the impetus for sound local government practices Practices of this type in Finland, Norway, New Zealand, and United Kingdom are good illustrations, (c) those in which the nation wide and local impetus for ensuring sound personnel practices is lacking and inadequate This category is exemplified by such countries as Brazil, Chile and Kenya Brief descriptions of each country's personnel practices

within the three mentioned categories are given. Likewise the main characteristics of the local government system in the countries studied are tabulated. The tabular presentations revolve on appointments and promotions whether based generally on the merit system and whether salaries and other conditions of service compare favourably with those of the national civil service, both of which are key indicators of the extent to which the personnel practices of the country concerned accord with a sound system. It also indicates that in most instances the national or the state government is the principal means by which common pension schemes are established and maintained for employees of local governments. While nation-wide institutions and measures are given emphasis in this analysis, it does not intend to lession the value and importance of local initiative in promoting sound personnel practices and of effective organization for personnel management in each local government unit. A chapter conclusion resorts to a generalization of an interpretative summary prescriptive to the achievement of a sound local government personnel system.

Synthesis of information on the structures and operations of the unified service in the study of countries where it exists is the purpose of chapter three. The unified local government service represents an important innovation in public administration. The report theorizes that while a certain degree of national control over local government personnel matters exists, this system provides for delegation of personnel functions to local authorities to the maximum extent practicable which in turn facilitates the devolution of development functions to local units. Thailand, the United Republic of Tanzania, Ghana and some states of India have each established a unified service. Several advantages in favour of the system cited in the report are as follows:

(a) It can facilitate the creation of a national or statewide career service founded on merit principles.

(b) It can help local authorities, especially smaller ones, to attract and employ more qualified persons than would be to a separate service.

(c) It can prevent or lessen nepotism and favouritism in the appointment and other personnel matters.

(d) Area of recruitment is as wide as possible; personnel movement is more flexible, there is more security of tenure; and

(e) There is provision for pre-and post-entry training to meet the needs of the unified service.

The report recognizes that a unified service provides a more rational basis than would otherwise be possible in many countries for dealing with local government staffing problems.

The report states that there are relatively few countries in which the personnel of the national or state government and that of local units form part of the same career service. This is the integrated national and local service. The features of the integrated service vary as the forms of government where they are adopted. The report accepts that the distinctive feature of this particular system allowing vertical as well as horizontal transferability of personnel appears to exist only in countries that have had a highly centralized system of administration, where the separate or the unified systems were never introduced and the local governments have more autonomy and powers. Having considered the multiforms of the integratred system the report presents a separate descriptive account necessary to understand how, to show where available, and to what extent the integrated national and local services in such countries as Ecuador, Morroco, Pakistan and Nepal including the United Arab Republic fulfill the requisites of a sound local personnel system for lo al governments. Uniformity in salary, conditions of service, retirement benefits as well as the provision of widest possible career opportunities in the public service allowing the optimal use of trained personnel are some advantages cited in the use of the system. At the same time it calls to attention that the same system may on the other hand encourage paternalism and even authoritarianism considering that most countries having an integrated system have a long tradition of centralized administration. The report also recommends that an integrated personnel system is especially suitable for countries which have traditionally administered local service through field units of central agencies, and where the idea of local autonomy is not well established and governments desire, as a matter of policy, to have these administered through locally elected or otherwise representative bodies, for the purpose of broadening participation by the people in development activities.

The report further strongly suggests that United Nations seminars and other meetings on personnel system at an international level should not only be attended by senior officials who deal with local government matters, but also ministers and parliamentarians who are politically responsible in this field.

The dveloping countries which are trying to modernize their local personnel systems can well take note of the particular types of personnel system discussed in the monograph report most applicable to their own needs and administrative environments. The features suggestive of a sound personnel system look innocently simple as well as attractive enough to be easily implemented.

It narrows down the cardinal avenues of sound personnel practices in the public service. As presented they are ideal principles in personnel management.

Personnel practices, however, are "culture bound" and therefore subject to various interrelating factors in the environment of administration. These factors in turn play a very decisive role in shaping the form of personnel administration in a given social system.

Public personnel practices in the Philippines, for example have vividly illustrated the corrosive role of partisan politics in the public service. Fillipino social values and practices overrule the basic requirements of the civil service in favour of particularistic interests. While the influence of the political and social environment is recognized, the need for a sound personnel system in the Phillippines is rationally premised on the necessity to give direction and continuity in the attainment of development objectives at the local level.Success in modernizing the local personnel service in the Philippines mainly depends on the seriousness of purpose and the need to re-examine the effectiveness of the Civil Service.

While not by any means intensive in treatment, the report provides a good eye-opener to local administrators and scholars in considering the important role of personnel administration in local governments. Being substantively informative, the report assumes utmost utility primarily for governments in the developing countries desiring to maximize the use of manpower at local levels for dvelopment.

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## APPENDIX L

## POWERS OF THE DIRECTOR OF MUNICIPAL ADMINISTRATION

*Note : The Sections mentioned below are from the Rajasthan Municipalities Act, 1959.*

| | Powers | Statutory Reference |
|---|---|---|
| **1.** | **Organization** | |
| **2.** | **Personnel** | |
| (i) | Powers regarding appointment of all officers of Rajasthan Municipal Service, except appointment of Municipal Commissioners, Revenue Officers of councils and Health Officers and Engineers and Executive Officers of Class I board. | Sec. 307 read with Rule 26 of the Rajasthan Municipal Service, 1963. |
| (ii) | Power to transfer all municipal employees except Class IV employees. | Rule 38 of the Rajasthan Subordinate and Ministerial Service Rules |
| (iii) | Approval of appointments of Assessors of municipal boards. | Sec. 114 and 310 |
| (iv) | Disciplinary action against officers indicated at item (ii) above. | Do |
| (v) | To hear appeals of all municipal employees of councils only. | Secs. 86 and 310 (5) |
| **3.** | **Finance** | |
| (i) | To sanction contracts of muni- | Sec. 80 |

| | | |
|---|---|---|
| | cipal councils/boards upto Rs. 40,000. | |
| (ii) | To sanction budgets of Class III, IV, V municipal boards. | Sec. 277 |
| (iii) | Secondary powers of expenditure of board with the approval of Director. | Sec. 101 (x) |

4. **Administration**

(a) **General**

| | | |
|---|---|---|
| (i) | Power to enter on and inspect municipal immovable property and works, call for documents, records etc. | Sec. 283 and 284 |
| (ii) | Revisional powers to call for records in connection with the orders of Collectors or any other officers appointed under the Act. | Sec. 300 |

(b) **Special**

| | | |
|---|---|---|
| (i) | To suspend the execution of a resolution of a municipal board if it is unlawful, causes injury, annoyance or inconvenience or breach of peace. | Sec. 285 |
| (ii) | Removal of members of municipal boards/councils in some cases | Sec. 63 (1) (a) (b) |

# APPENDIX M

## POWERS OF COLLECTOR

| Powers | Statutory Reference |
|---|---|
| **1. Organisation** | |
| (i) To receive objection for establishment of municipality or extension of its boundary limits. | Sec. 6 |
| (ii) To receive resignation of chairman. | Sec. 65 (12) |
| **2. Personnel** | |
| (i) To hear appeal by sweeper or scavenger when he is discharged, dismissed or removed. | Sec. 26 (2) |
| (ii) To hear appeal by employees of the municipal boards. | Sec. 310 (5) |
| **3. Finance** | |
| (i) To sanction contracts of more than Rs. 5,000. | Sec. 80 (5) |
| (ii) To hear appeal against taxation. | Sec. 139 |
| (iii) To receive annual accounts finally passed by a municipal board or municipal council. | Sec. 281 |
| **4. Administration** | |
| (a) **General** | |
| (i) Copy of resolution passed by | Sec. 67 (f) |

| | | |
|---|---|---|
| | municipal board to be sent to Collector. | |
| (ii) | Permission for possession of Government land from Collector. | Sec. 166 (2) |
| (iii) | General powers of enquiry and inspection. | Sec. 283 |

(b) **Special**

| | | |
|---|---|---|
| (i) | Suspension of resolution or orders of municipal boards or its officers. | Sec. 285 (1) |

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